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READJUSTMENT MUST PROCEED STILL FURTHER

Wall Street in Violent Reaction, Reflects Unsettlement in Business

OPTIMISM IN WEST

Cost Factor in Production Will Have to be Revised Still Further—Normal Basis Not Yet.

The outstanding development of the financial and business worlds of the week was the violent decline on Wall Street, reflected in a minor degree upon all stock exchanges upon the continent. Following a prolonged period of acute depression the break was the more spectacular, losses ranged from fractional to several points, and a number of securities were borne down to the lowest prices in several years and notwithstanding the extent of the deflation unduated it is hardly likely that deflation has run its full course—perhaps not for several months yet.

This movement is of special significance at the present time, and one or two deductions may be drawn. The break in stocks but reflects the unsettlement in the business world, and indicates that the process of adjustment will have to go yet further before a normal basis is reached. It is an indication too that a normal cost basis for finished commodities has not yet been reached.

While the price of basic commodities has been pretty generally adjusted, the cost of the finished product still continues too high, and the stock movements of the week but indicate that the cost factor in production will have to undergo still further modification; labor will have to come down and greater efficiency in operation must be striven for.

An Orderly Course.

There is nothing in the situation to give cause for undue anxiety. Adjustment is pursuing an orderly and regular course. After a long period of abnorma linflation the return of normal will of necessity take some time, and in the present instance problems of unusual difficulty are being faced and the return must therefore be tardy. Everywhere however, there are indications that the situation is not beyond control, and while there is extreme business depression at the moment, conditions are undoubtedly shaping themselves, in order to render possible a return of normal business.

Favorable features include the increasing number of American manufacturing plants being placed in Canada to avert tariff levies and the larger number of United States investors seeking Canadian opportunities—here the advantage of exchange is a material consideration. Further drastic cuts in prices by some large Canadian manufacturers will also help the process of re-adjustment but this is having a bad effect on smaller competitors who branched out and are not able to meet the lower prices which the situation demands.

A general movement is now under way in the direction of lower labor costs, and considerable progress has been made so far. Some opposition has naturally developed, but generally there is a realization of the necessity of lower costs in order that business may revive. The fact too that the cost of living has declined materially has removed the force of some of the arguments that have been offered in opposition. A healthy phase of the situation is the fact that labor unions are beginning to introduce a larger element of intelligent consideration of the problems that are outside of their immediate sphere of activity, and are realizing that the wage levels can no longer be bolstered up in the face of the general era of reduction upon which we have embarked. A case in point may be cited. The union wage scale for carpenters is 90 cents an hour, but in connection with a large Toronto contract plenty of union labor has been secured at 80 cents an hour. There are reports too of carpenters working for even 70 cents an hour, but it is not stated whether they are members of a union or not.

Reduction Comes Too Late.

The recognition too by the building trades that the public will not be co-erced into paying peak prices for construction in order to supply the supply houses and contractors, with war-time profits, is a favorable development. Ottawa contractors

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PRICE BROS. MEN GO BACK

MONTREAL. — The great majority of the employees of Price Bros. and Company at their two plants have gone back to work at a decrease in wages of slightly over 20 per cent. and the mills are now operating well to capacity. The plant has been declared an "open shop." The regular quarterly dividend of three-quarters of one per cent. (at rate of 3 per cent. per annum) was declared on the stock this week. The general break in the market carried this stock down to 30 this week.

CROP CONDITIONS STILL FAVORABLE THROUGHOUT WEST

Southern Alberta Needs Rain but the General Situation is Very Good.

By E. Cora Hind
Commercial Editor Manitoba Free Press

General crop conditions continue favorable throughout the west with the exception of Southern Alberta where there are complaints of shortage of rain and very considerable damage from cut worms and some from grass-hoppers. These conditions in Southern Alberta could be improved by immediate heavy rains but the crop has been permanently affected to some extent. Even in this territory, however, there are small districts where rains have been abundant and crop will be good.

Made trip in motor this afternoon from Brandon across country in a southwestern direction to Lauder and then came by train to Estevan. This was cross cutting that portion of Manitoba and Saskatchewan which suffered the most severely from hoppers last year and where there has been apprehension for the present season. In all the distance made by train and motor over 160 miles, no serious damage of any kind was seen and crops never looked better at this season. There is very considerable winter-rye which has been headed out for ten days and will be ready for cutting in about three weeks. Considerable of the wheat is just emerging from the shot-blade. Moisture was abundant in the whole territory covered but especially so from Alamede, Sask., to this point, a district which has been dry for the past three years. The crop everywhere is strong growth, excellent in color and well advanced for the season. Weather warm with light winds.

RAILWAYMEN TO ACCEPT CUT FIRST OF JULY

Tenative Agreement Likely to be Reached in Canada.

$40,000,000 LESS

Decrease on Basis of 12 Per Cent. Average on $325,000,000—Friendly Conference—Eyes on Chicago

Montreal—Conferences are being held here between the railway officials and representatives of the various classes of employes in reference to the revision of the wage schedule in Canada, and in addition the Railway Association is meeting representatives of the shop krafts and maintenance of way men for a similar purpose, these two latter classes dealing direct with the Association through agreements.

So far "working conditions" have scarcely been discussed as it is recognized that this very important factor must first be settled in the United States before headway can be made in Canada, for the roads and workmen of the two countries for several years past have followed identical lines in this respect. The Financial Post learns that it is probable a tentative agreement in regard to wages will be reached in a few days, and that a reduction will go into effect on all the Canadian lines on July 1, with the understanding that when a final settlement is reached in regard to working conditions, such as overtime, that adjustments may be made in the wage schedule either way to remedy any discrepancies. It should be pointed out also that the pay cheques for the first two weeks of July will not be issued until July 31, so that a leeway of two weeks for a final settlement is provided. Every effort is being made to maintain the friendly relations that have existed throughout the war period and since that time, relations that enabled the "Railway Adjustment Board Number One" of the Railway Association to create an almost unique record for friendly arbitration on every occasion its services were called into operation.

The wage schedule as drawn up by

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C. P. R. Hits the Lowest Point In Twenty Years

(From our own Correspondent)

MONTREAL.—The sudden break in C. P. R. stock this week, when it reached the lowest point in twenty years, created no pessimism here as to the company's position. The liquidation was ascribed generally as due both to forced selling by security holders as a result of losses in other securities or business reasons, and also to a deliberate raid on this as on other pivot stocks. The break intensified confidence, rather in the investment value of this security. There was no talk now of the company's need of new financing; that has been pretty well exploded and it is understood that the sale of debenture stock in England filled the company's requirements for many months to come.

There is the one bare element of a heavy fall in the volume of traffic of the company. This has been shown for several months and is expected to be a feature of the monthly reports until the wheat movement sets in in the fall. Those in close touch with the company hold the view that a good crop will restore needed confidence among business men all over the country and that a steady improvment in the volume of trade is likely to set in. This in turn would improve steadily the haulage of the company.

Reducing Operating Costs.

Two other elements, on the other hand, tend to more than offset the drop in gross earnings. One of these is the company's ability to cut down very materially their ratio of operating expenses which are now well below that of any period of last year. It was this that enabled the company for several months past to show larger not earnings than for the corresponding month of one year ago in spite of much smaller gross earnings. This factor will be accentuated by the beginning of July by the drop in wages, which it si anticipated, will go into effect coincident with the change brought about by the Railway Labor Board in the United States. This cut will bring the wage scale well down to the level before the first of May last year as the July advance was retroactive to that date. Thus from the first of July the net earnings are expected to run well ahead of those of last year, and wipe out very soon the drop in net earnings over last year that the first couple of months of the present year created.

The last time C. P. R. sold as low as this week was in July, 1901, when it dropped from a high of 108¼ to a low of 99¼. At this time the stock was paying only 5 per cent. dividend as compared with 10 per cent. today. Early that same year the stock had been down to 87 but it advanced in a short time to 117¼ during the month of May. The first time it touched par was February, 1900. The price in January had been 90. After par was reached the stock fell off later in the year and touched a low for the twelve months of 85½. Twenty years ago the amount of stock outstanding was only $65,000,000 as compared with $260,000,000 to-day.

Previous to 1895 the stock paid 5 per cent. dividend, the price range being between a high of 95 and a low of 58⅝ just before the dividend was passed for the first and only period in the roads' history. In 1896 a dividend of 2½ per cent. was begun and the next year the stock rose to 82¼. The following year, 1898, the dividend was raised to 4½ p.c., and a high of 90⅞ was recorded. By 1910 the stock had advanced to 202, the law for the year being 177.

It was in 1911 that 10 per cent. was first paid and this has been continued ever since.

The highest point reached by the stock was in 1912 when it touched 282⅞, then giving a yield of 3½ per cent. as compared with one close to 10 per cent. this week. The war brought the stock in 1914 from a high of 219 to 173½ just before the Exchanges were closed down. The following year the range was from a low of 138⅛ to a close of 179½.

GUNDY ON THE WEAKNESSES OF RADIAL SCHEME

Points Out Financial Difficulties Which Sir Adam Beck has Ignored.

PROVINCE MUST ENDORSE

Ontario's Guarantee Needed to Find Market—Municipalities Have Camouflaged Statements.

Evidence of a damaging nature with regard to Hydro radial ventures was given this week before the Sutherland Royal Commission, Mr. J. H. Gundy of the Toronto financial firm of Wood Gundy and Co. It was particularly significant in view of the fact that during the months which the Commissioners have been sitting they have listened to testimony dealing with the proposed radial programme as though it were more or less an actuality, and that money could easily be found for the $50,000,000 venture. Mr. Gundy spoke as one who recognizes that, regardless of the merits of the scheme as a railway proposition in itself, the money for it must first be found, that interest on bond issues must be met and that public credit will naturally be affected in some way. The effect of such an issue at the present time, would be, in his opinion, to defer the date when our Canadian currency should come back to par. He did not hesitate to say that financially it was an unwise thing to take another long step in railway expenditures when the national lines the country now owns are not paying, that railway securities in both Canada and the United States have no attraction for the investor and that the Dominion is already heavily burdened with commitments which it must meet and for which bonds from time to time must be issued. A few quotations from what Mr. Gundy said, in answer to questions put to him by counsel, indicate his view and will no doubt be found to have an important bearing on the minds of all who have studied the radial scheme.

"While I am not expressing an opinion on the merits of the railway proposals, though I have my own idea of them. I think the issue of $40,000,000, or $50,000,000 of bonds for this purpose would be merely postponing the day when our money will come back to par."

"I don't think that at the present time we should borrow money for any but the most thoroughly sound and legitimate undertakings, in other words for works that are an urgent necessity. This country is carrying about all the debt it will stand. Our war and railway debts are very heavy. Sooner or later the municipalities concerned will be asked to give their notes for their portions of the expense of the Chippawa canal project. This work will then entail a direct liability on these municipalities. In my opinion it is not wise to venture further in these public ownership schemes till we pay for some of those we have already begun."

Mr. Gundy said that he was not opposed to public ownership development, in fact he thought that if it were cautiously carried on it was a good thing, but he knew the attitude of the investor and that it was not favorable to-day to the railway securities because of the losses men had sustained who had invested in railway stocks.

Asked as to whether, if the Provincial guarantee were not given, the hydro scheme could go ahead by the said that unless they carried the prosale of municipal bonds, Mr. Gundy vincial endorsation they would be practically unsaleable. This opinion would indicate that the talk of carrying out the radial scheme regardless of what the Royal Commission finds and what the Ontario Government does, is idle and useless chatter.

Furthermore the witness stated that he did not think it right that municipalities should issue large debenture amounts for hydro purposes and not show those issues as liabilities. It was akin to hiding the truth from the people who were asked to invest their money, and yet, of course, under the Hydor Act this is what is done. "The truth is not being told" is the commen made by the witness.

Replying to enquiries as to what effect the issuance of ten millions by Toronto for hydro radial purposes would have on the city's credit he said it would be unfavorable. Generally speaking also the same thing

(Continued on Page 4)

Darling in N. Y. Tribune.

YOU CAN'T GET MORE MILK BY KICKING THE COW

Sir John Hendrie on South American Trade

Having recently completed an extensive tour of the South American republics, Sir John Hendrie, president of the Bank of Hamilton, has supplied The Financial Post with a summary of the difficulties and possibilities that face Canadian exporters in developing trade with that continent. Naturally interested in any new field for Canadian exports, Sir John gave the subject careful attention and discussed the possibilities of such trade with the business men he met. More particularly, perhaps, he sought the opinion of the various government officials, who entertained him as an ex-Lieut.-Governor of Ontario. He had, accordingly, exceptional opportunity to study conditions and it is, therefore, interesting to note that Sir John's opinion coincides with the view point expressed by Sir Edmund Walker and is utterly at variance with the optimistic utterances of S. L. Parsons, late president of the Canadian Manufacturer's Association. The problem may be summed up as follows:

1. Wide variation of racial characteristics between Canadian and South American peoples. Coupled however, with so close a similarity of agricultural products as to lessen the buyers' interest.

2. Close racial similarity with Europeans and a wide enough variation in exportable commodities to place such commodities in great demand.

3. The internal transportation, being short, permits products to reach sea ports unburdened by the expense of long hauls.

4. The ocean routes to Southern American republics, from European ports are commercially more productive than Canadian routes.

Keen Competition.

"If Canada is ever to enjoy trade with these peoples," Sir John stated, "there should be no misapprehension either as to geographical conditions or racial characteristics. The people of these republics are not decadent. They have probably evolved a social system best calculated to develop and enjoy their almost boundless natural resources. These very closely resemble Canadian products, such as fruits, vegetables, grains and meats, and as a consequence therefore, Canada need not hope for trade in these lines, nor in their by-products. In fact, Canada may yet feel more heavily the force of South American competition in such commodities."

In the matter of the cheaper lines of manufactured articles the South American peoples do not offer so satisfactory a market as might be at first expected from a casual or over optimistic consideration. Generally speaking there are but two classes of goods that are in demand; the cheapest, intended for the laboring or "peon" classes—and the very highest grade, which are required for the wealthy land owners. Canada can supply but little of the latter; as our mechanical and artistic development rarely reaches the superlative quality demanded for this trade. Furthermore the natural taste of the people is for the brands and grades of European manufacture. Considering the cheaper grades, it is very doubtful if Canadian factories, — (handicapped by a long ocean haul) can compete against the factories in South America, which, owing to the impetus of the war, are in a condition to produce in large quantity and at low cost.

Sir John pointed out, however, that despite these conditions, a reasonable and healthy trade can doubtless be developed, if Canadian exporters will adhere to the fixed rules of the export game. The pitiful spectacle of millions of dollars' worth of rejected American goods lying at ports and in warehouses, still subject [illegible] to develop the trade in these markets? It is claimed by the buyers in the South American ports, that the goods were sold on sample, but that deliveries were not up to sample nor packed in accordance with contract requirements and the necessity of local conditions. There is a certain "Social" aspect of commerce which must be observed, if a reliable market is to be built up and retained. Trade emissaries must be sent there —not on visits,—but to stay, to settle and to grow into terms of intimacy with the people and conditions.

Canadians have, perhaps, been prone to glance over the map of that great southern continent and, imagining it to be in a state of civilization comparable to the 18th century in America, have visualized a wonderful market for Canadian manufactured products. Nothing could be more foolish or wasteful. There undoubtedly is a market for certain Canadian products but that market will only be available for him who cultivates it intelligently and patiently..

WHY CANADA'S MILLS LOST RAIL ORDER

Conditions Made it Impossible to Handle the Business in This Country.

(From our own Correspondent)

MONTREAL.—An announcement from Toronto that the Transportation Commission had placed an order for 4,000 tons of rails in the United States because Canadian mills could not compete with the prices offered across the border carried a rather unpleasant suggestion in industrial circles here. Inquiries made by The Corporation as to why it had not been able to "land" such an order for a Canadian plant, placed the inference in a much more favorable light.

In the first place the first order called for a 7-inch girder rail that has never been made in Canada before, much different from the ordinary 100-pound T rail used for steam roads. Then an alternative order called for T rails but the drilling was different and a length of 62 feet was essential as compared with the 32-foot length of the ordinary rail. This would have required new equipment in the form of hot tables, etc., and at the time the plants were starting up on an order from the Dominion Government that called for delivery on a specific date. It would have been difficult if not impossible to get permission to suspend the Government order so as to complete the Toronto Commission's order.

STOCKS DECLINE IN AN ATTACK OF WEAKNESS

Wall Street Emerges From Throes of Violent Depression.

PARTIAL RECOVERY

Three Old Favorites on Canadian Exchanges Suffer Drastic Reaction—Victory Bonds are Weaker

Movements upon the Canadian stock markets have been up and down in conformity with the tide upon the New York Exchange. Wall Street has just emerged from the throes of a violent depression, during the course of which prices were forced down to new low levels, in some cases for the present year. The Canadian exchanges did not escape the disturbance, and registered all the symptoms of acute depression, with the negative movements of stock prices of substantial proportions. The close of the week has witnessed a partial recovery both in prices and in sentiment as well.

The adverse development upon the New York Exchange is attributed, not so much to the general depressed tone of business at the present time, as to the fact that stocks gave way before a concerted bear drive, which had been launched at what proved to be the crucial and favorable moment for the bears. The Canadian exchanges were disturbed too mainly as the result of the shaking of sentiment through the upheaval on Wall Street. The business situation has undergone comparatively little change in the past few weeks, and the forces of adjustment are still at work.

The rail securities were prominent on the list and gave a demonstration which was [illegible] arose out of the difficulties encountered by the transportation companies in the decline of the carrying trade, one of the developments of the business depression. Three old favorites on the Canadian stock exchanges were hammered to the lowest levels of years this week, and the balance of the list suffered in a lesser degree. One industrial too gave a spectacular demonstration of weakness due to a rumor in circulation of the possible cutting of dividends. Denial having been offered by the president of the company, the stock recovered practically all its losses.

Victory bonds commanded a large share of attention at the close of the week and gave an exhibition of weakness, the prices sinking to the lowest level of several months. This weakness arose out of some comparatively heavy selling, said to be by those who wished to purchase provincial securities offering a materially better rate. The movement may be regarded as an adjusting process, to meet the higher rates in the general market.

NO WHEAT POOL THIS YEAR.

Saskatchewan Farmers Will Take No Action This Season.

(From Our Own Correspondent)

REGINA. —The Saskatchewan Grain Growers will make no move to pool their wheat crop this year. After much discussion the executive of the S. G. G. have found many serious obstacles in the way of establishing the contract pool system of marketing embodied in the Stewart-Riddell report to the provincial government.

This decision covers the present season only. The opinions of all Saskatchewan farmers will be solicited within the next few months, in order that the Association may be guided whether to establish a wheat pool or reject the idea altogether.

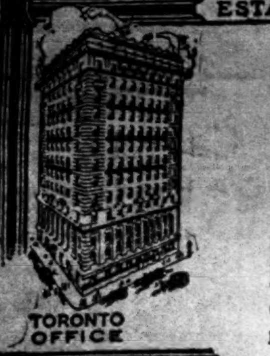
MENNONITSS NOT IN HURRY.

(From Our Own Correspondent)

The Mennonite colonies in Saskatchewan will not commence their southward trek to the United States until the fall, declare railway officials. While some doubt is expressed here whether the deal recently reported has been actually completed, they are satisfied that in any event no movement will take place until after this year's crop has been harvested.

Railway men anticipate that in all about 8,000 Mennonites will take part in the migration, about 3,000 from the Swift Current colony; about the same number from the Mennonites in the Rosthern district

ESTABLISHED 1872



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SLOW DECLINE IN PRICES OVER A LONG PERIOD

However Situation is Now Stabilized After Recent Drop

IMPORTANT CRED. FACTOR

The Crisis of 1920-21 Has Emphasized the Need for Careful Analysis of Current Assets and Liabilities

By A. F. MAXWELL
2nd Vice-Pres. National Bank of Commerce in New York.

The business crisis from which we are emerging is particularly distinguished by one great, outstanding characteristic, namely, by the greatest and most rapid price drop in the nation's history. Previous business reactions in the nation's financial history have been similarly characterized by some particular or predominant feature. Thus the panic of 1873 was marked by a great number of railroad failures. The feature of the crisis of 1884 was its severity in financial circles. In 1893, when there was a violent panic, the chief factor in unsettling business was, in the opinion of many, the uncertainty over money conditions; this panic was followed by a prolonged depression during which the fight for sound money continued. In 1902, sound money continued. In 1902, in which occurred the "rich man's panic," the reaction was characterized by the enforced liquidation of security holdings on the part of wealthy stock market interests. The chief factor in the 1907 panic was money stringency.

Many prices have been stabilized but this does not mean that there will not be further declines. They may be expected in a number of lines. Commodities which have not yet been adjusted will receive no support from others that have reached a stable footing. In their decline, they will not force down commodities in which deflation has already occurred. This relative independence of prices is a characteristic of more normal conditions.

While we may feel confident that the violent general decline in raw materials and related products is over, this does not preclude a slow and orderly decline over a period of years. Such a decline would be no menace to sound business; it is perfectly practicable to make business plans to meet slow price changes. It was the violent fluctuations and almost total absence of a market at any price that hurt. Gradually falling prices over a period of years would not materially affect the price movement of commodities over such periods as are usually necessary for manufacturing and distributing operations. Rising prices are not essential to prosperity and a slow downward movement is discouraging only to reckless speculative activities.

The appearance of the stabilization of commodity prices will be welcomed by no one in the business community more than by credit men. The violent fluctuations in commodity prices have completely changed our ideas regarding credit analysis. The experience has given us, however, a sounder basis of credit judgment, both by emphasizing old truths and revealing new ones.

Profits and Risk.

The business which had a satisfactory history of earnings over a period of years with a conservative management which established proper reserves and retained a liberal part of the unusual profits of 1918 and 1919 was of course better able to stand the shock of 1920. This experience forcibly demonstrated the cardinal principle in credit granting that a concern is in business to make money and the profitable enterprise is the beter risk.

There has been no more important or well defined milestone in the development of the applied science of credits than has been established by the great business reaction of 1920-21. This period, if we make good use of the material and experience presented to us, should mark one of the most significant advances ever achieved in practical commercial methods.

The general condition of credit is among the chief controlling forces in business. If credit practice is wise, business will be sound. If credit policies are unsound, the business structure will be weakened. Through the continual betterment of credit methods it should be possible to render recurrent business crises an ever diminishing factor.

A serious pitfall in credit methods of the past was the practice of using, as the basis for arriving at a judgment regarding the technical financial aspects of a credit risk, merely the data shown by its statements of condition. I am not considering here the element of moral risk and such factors, but am referring strictly to the statistical material involved in credit work. There was in this too great an inclination to believe that the balance sheet told the whole story as to financial set-up, and too much reliance was placed on the analysis of current assets and liabilities alone.

A great advance beyond this narrow view of things was made seven years ago when we were startled while assembled in Rochester by the announcement of some prominent business reverses. The tremendous importance of giving full consideration to contingent liabilities, whether in the form of discounted receivables, endorsement of subsidiary company obligations, guarantee of principal and interest of mortgages or rentals, was the lesson of that year.

This was an experience that materially advanced the practical and applied science of commercial credit. Credit men to-day are fully alive to the significance and importance of contingent liabilities. They realize that they must go beyond the balance sheet in their technical analysis and give full weight to all the actual and potential liabilities of a concern, no matter what form they are in.

Analyze Assets Too.

These considerations are such obvious elements of sound business practice now, it seems strange that we can set so recent a date for the development of the full realization of their significance. But the year 1920 brought an equally striking revelation of the necessity to amplify also our knowledge on the asset side of a concern's total position. It has awakened us to the realization that we cannot content ourselves, if we are to have a sound basis of credit judgment, with a knowledge of the state of the assets merely as shown in the face of the statements of condition. Just as we must give full consideration to contingent liabilities, so we must give consideration to what might be called contingent assets.

By contingent assets I mean those the effect of which on the condition of a business is dependent upon broad factors outside the normal sphere of direct financial management of the individual concern itself. Thus the 1920-21 price collapse produced startling changes in assets throughout business. A large part of assets, which were absolutely good at face value under anything like normal conditions, rapidly depreciated or even disappeared as a result of these causes, through the shrinkage of inventories and the cancellation of orders.

In addition to this emphasis placed by the present crisis on the important credit bearing of falling prices and receding business because of their effect on assets, we have also learned from it the necessity of giving more attention to a concern's commitments, as elements of liability akin to contingent liabilities and, under certain conditions, equal to direct liability in importance. For example, a manufacturing concern may have committed itself to the purchase of a large volume of raw materials, on the strength of contracts from its customers to take the resulting finished product. When the recession in buying by the general public stopped the movement of the finished product, many of the manufacturer's customers cancelled orders. In most cases the manufacturer could not cancel if he would, and these commitments for raw materials contracted for at high prices, without the offset of his own customers' commitments to him developed into a very definite liability. Therefore a new element of loss was brought into the balance sheet under a particular set of contingencies and the credit risk was materially altered thereby.

Thus it was revealed to us, in unmistakable terms, that a credit risk, in the last analysis, is not based merely on the apparent current condition of a concern as shown in the balance sheet, or even on its balance sheet plus a full knowledge of the concern's contingent liabilities. And while a going business must cover sales contracts by corresponding purchases to avoid the danger of speculation, we realize more fully that to these factors must be added full consideration of all possible changes that may occur in assets in respect to the commodity values represented there and also in respect to the concern's orders on its books, the standing and responsibility of its customers, and the related contingencies involved in its own commitments.

From the credit man's point of view the completion of this formula is the outstanding characteristic of the 1920-21 business crisis. It must not be a rigid formula. In stable times it might easily be possible to place too much importance on contingencies, producing timidity in business. But in buoyant and expanding times common prudence demands a close study of how far assets and activities are expanded by real factors and how far by fictitious factors. An observance of this principle in credit practice will make the inevitable reaction less violent—a principle, unfortunately, that was utterly lost sight of in the headlong boom preceding the present recession.

DOMINION STEEL AND HOUSING PROBLEM

Empire Housing Co. to Look After Housing Branch of Business.

The Dominion Steel Corporation, of Sydney, Cape Breton, and the Dominion Coal Company, of Glace Bay, are taking steps to relieve themselves of a portion of the burden of providing their workmen with housing accomodation, and to this end have secured legislation during the last session of the Nova Scotia legislature, empowering them to organize the Empire Housing Co. This company which is in the process of formation will have powers to borrow within certain limits for the purpose of constructing houses, and of loaning in small amounts to the companies' employees as a means of assisting them in purchasing their own homes. The company will have full charge of the housing affairs of the companies, and will finance its operations itself, without making any demands upon the two companies concerned.

Any industrial company which undertakes operations on a large scale at a point removed from the large centres of population is faced with the problem of providing homes for workmen, or otherwise an ample supply of the best type of workmen will not be available. The pulp and paper companies have expended huge sums in this connection during the past two or three years. The Dominion Coal Co. found it necessary to purchase and erect houses for its its workmen, or otherwise, an ample owns some two or three thousand homes which it rents to its employees for a moderate sum;practically all the workmen of the Dominion Coal Co., are housed in homes owned by the company. The Dominion Steel Corporation owns two or three hundred houses. The supply of homes owned by the company is wholly inadequate to meet the demand of the employees. In Sydney there is a wide discrepancy between the rates paid by the employees so fortunate as to be located in the company's houses, and those outside, and the situation does not tend to stimulate harmony within the ranks of the work men. When industrial conditions are normal these companies give employment to approximately 17,000 men, in all branches of operation, including the steel plant, the mines, and in the shipping end of the business.

A Burden on Industry.

The housing problem has in the past been a burdensome one for these two companies, and each year large sums of capital which should have been applied to the purposes of the business have been diverted into housing, and upon capital so employed the return was inadequate. The operations of the business suffered to this extent, and it was with a view to relieving the companies of all burdens in this connection that application was made for permission to organize the Empire Housing Co. The company will have a small capital, and it will have power to borrow for the purpose of building homes, and making loans to workmen, who are endeavoring to purchase homes for themselves. It is the intention of the companies to encourage and give every reasonable assistance in this connection, as it is felt that it will be distinctly to their advantage to have their workmen house din homes which they themselves own, or are in the process of owning.

PETROLEA OIL FIELDS.

General Manager of Anglo- Persian Makes an Inspection.

(From Our Own Correspondent)

LONDON. —Important improvements in connection with the plant of the Canadian Oil Company at Petrolea are to be preceeded with immediately and involve an expenditure of $35,000. A new boiler house to take care of a battery of seven new 150 h-p. boilers, a new brick chimney 110 feet high, and a new pump house will be erected. The contract for the boilers has ben awarded to the John Ingles Co., Toronto.

Sir Arnold Wilson, of London, England, general manager of the Anglo Persian Oil Company, was in the city for a short time while on his way to Vancouver. He is en route to Persia and while in this district made a tour of inspection of the district around Petrolea and Oil Springs.

The call for more experienced oil drillers continues and many requests are being received for men to go to all parts of the globe. Andrew Wolsey of Petrolea has signed a contract and leaves early in July for Borneo. Fred Saunders who has been in charge of important work at Curacao, Dutch East Indies, has been transferred to Mexico as manager of a large refinery.

Germany's deficit for current fiscal year including 42,000,000,000 marks for indemnity payments and 26 per cent. tax on exports estimated at 96,000,000,000 marks.

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WEST RAISING A CRY AGAINST YELLOW LABOR

British Columbia Has Genuine Oriental Problem to Solve.

RESTRICTIONS ARE ASKED

Farmers of Pacific Coast Are Leading Movement in View of Declining Prices For Their Products

(From Our Own Correspondent)

VICTORIA. —British Columbia now has a genuine Oriental problem on its hands and has asked the Imperial government in London to help solve it. The agitation against Oriental competition in industry has cropped up on many occasions in the province, but only within the last few days has action been taken that is likely to lead to definite and important developments.

The latest movement against the Orientals is led by the farming interests. They have taken up the fight against Asiatic lease and ownership of lands and have persuaded Hon. S. F. Tolmie, Federal minister of agriculture, and representative of Victoria in Ottawa, to represent their views at the Imperial conference in London when the Anglo-Japanese treaty is under consideration.

It seems probable that as a result of the representations now being made, changes will be effected in the existing laws that will exclude Asiatics from ownership of lands in the province of British Columbia, and also bring about greater restrictions respecting immigration. These two matters were recently brought before the House of Commons at Ottawa by H. H. Stevens, M.P. for Vancouver, who declared that the question of Oriental competition in Canada's Pacific province had become alarming and that sooner or later the Dominion authorities would be forced to take cognizance of it.

The Yellow Invasion.

At its last session the provincial legislature authorized, in response to the farmer's plea, the collation of exhaustive data bearing upon the extent of land lease and ownership by Orientals in British Columbia. The investigation revealed that Chinese and Japanese now control 26,918 acres of farming land and are steadily increasing their holdings. Over 1,000 individual Japanese and Chinese were given as the owners.

According to the officials who conducted the probe, Chinese now control 90 per cent. of the city trade in truck garden products, such as vegetables and own more than 50 per cent. of the acreage in the province devoted to that class of crops. They state that the Japanese control more than half the small fruit farm land in the province.

Not so very long ago there was only a handful of Japanese farmers in the province. To-day there are Japanese colonies all along the Fraser river, the Thompson river, in the Lillooet country; the Ashcroft and Kamloops areas. The Okanagan Valley, one of Canada's most famous fruit districts, is now threatened with being overrun by Japanese, who have bought hundreds of producing acres in that vicinity within the last few years. The Chinese farmers are more numerous than the Japanese in many sections, but their presence is not so notable as that of the Japanese, because their advent has been much more gradual.

The Japanese Influx.

Along the coast there are hundreds of Japanese fishing boats and in some sections the Japanese virtually control the industry. This is exemplified in the herring trade, where Japanese catch the fish, pack it in their own plants along the Vancouver Island shore and ship it to Japan in Japanese steamships. Recently Oriental interests have acquired considerable timber holdings and have established sawmills. Prospective sale of a particularly large tract of timber on the Queen Charlotte Islands to Japanese capitalists was recently reported, and shipments of lumber from the islands to the Far East are contemplated, in which case the Japanese would be in charge of every stage of the operations.

The Oriental population of British Columbia is rapidly on the increase, and while official figures will not be released for several weeks, it is estimated that there will be 900 Japanese births this year. The number of Japanese births has doubled within the last four years. About 17,000 Japanese now live in British Columbia, women predominating. There are more than twice that many Chinese.

The white farmers are now pressing their agitation against Oriental competition because of the threatened slump in prices this fall, coupled with the high cost of production. They claim that the Orientals, by reason of their lower standard of living, are able to take unfair advantage over their white rivals, which, if allowed to operate unchecked, may result in Asiatic domination of some of the province's most important industries.

BIG LUMBER PROJECT.

British Syndicate to Develop Dominion Sawmills Property.

VICTORIA. —A British financial syndicate, headed by Frederick Benson, a London banker, will undertake the development of a tract of 450 square miles of timber land in the Revelstoke district, central British Columbia. According to Mr. Benson, $10,000,000 has been spent already in development of the land and $8,000,000 more is to be appropriated for the work. It is understood that the holdings referred to were formerly area formerly held by the Forest Mills of British Columbia, originally known as the Dominion Sawmills, Ltd., which went into liquidation not long ago.

INCREASED ACREAGE OF WHEAT INDICATED

Total Sowns in Canada is Over Eighteen and a Half Million Acres

The total area estimated to be sown to wheat for the harvest of 1921 is 18,654,100 acres, as compared with 18,232,374 acres, the finally estimated area of 1920, and with 16,342,969 acres, the annual average for the five years 1915-19, according to Ottawa figures. There is therefore this year an increase of 421,726 acres, or 2 per cent., as compared with 1920, and of 2,311,131 acres, or 14 p.c, as compared with the five-year average. The area to be harvested to fall wheat is 709,100 acres, as against 814,133 acres in 1920, and the area under spring wheat is 17,945,000 acres, as against 17,418,241 acres in 1920. Of oats the total area sown is placed at 15,295,000 acres as compared with 15,849,928 acres in 1920, a decrease of about 555,000 acres, or 4 p.c. The barley area is 2,456,000 acres, as compared with 2,551,919 acres, a decrease of 4 p.c. Rye is sown to 698,150 acres, an increase of 7 p.c.; peas, 178,200 acres, a decrease of 4 p.c., and mixed grains 805,800 acres, a decrease of 1 p.c. The area of hay and clover is estimated to be 10,545,000 acres, as compared with 10,379,292 acres in 1920, an increase of 2 p.c., and of alfalfa 231,000 acres, as against 238,556, a decrease of 3 p.c. The area planted or to be planted in potatoes is preliminarily placed at 736,200 acres, as against 784,544 acres last year, a decrease of 6 p.c.

The estimated area under wheat in the three Prairie Provinces is 17,418,900 acres, as compared with 16,841,174 acres in 1920, a net increase of 577,726 acres, or 3 p.c. This is due to an estimated increase of 15 p.c. in the province of Alberta. Barley has an area of 1,772,000 acres as against 1,838,791 acres in 1920, a decrease of 4 p.c. and rye an area of 541,000 as against 482,011 acres, an increase of 12 p.c. By provinces, the acreages in 1921, with those of 1920 given in brackets, are as follows: Manitoba: Wheat: 2,679,000 (2,705,622); Saskatchewan, 10,061,000 (10,061,069); Alberta, 4,678,900 (4,074,483). Oats: Manitoba, 1,855,000 (1,873,954); Saskatchewan, 4,749,000 (5,106,822); Alberta, 2,750,000 (3,089,700). Barley: Manitoba, 806,000 (839,078); Saskatchewan, 514,000 (519,014); Alberta, 452,000 (480,699). Rye: Manitoba, 144,000 (148,602); Saskatchewan, 217,000 (172,449); Alberta, 180,000 (160,960).

SEEKS TO PROMOTE TRADE WITH CANADA

The opportunities for trade between Canada and China are outlined in a letter written by C. C. Nieh, president of the Chinese General Chamber of Commerce, which is being distributed among the Chambers of Commerce in Canada by the Department of Trade and Commerce at Ottawa. Mr. Nieh traces the growth of the foreign trade of China and declares that such trade has been doubled within the past decade in spite of revolutions and other internal disturbances. Many observers, he adds, believe that China is on the verge of a great industrial revolution. He refers to her resources in agricultural and mineral products, and to her capacity of consumption of foreign goods. The letter continues as follows:

Reviewing China's trade in the past we regret to see that Canada has not taken as large a share as might be expected from her excellent transportation system with Chinese ports. This, we think, is largely due to the fact that the tremendous trade possibilities in China have not been sufficiently well known to your business public. The Chinese General Chamber of Commerce at Shanghai, an association of some 400 representative merchants and manufacturers, of Shanghai, desires to see more trade between Canada and China, and takes this opportunity to express to the Canadian merchants and manufacturers its sincere wishes for closer relationship which will no doubt result in mutual advantage and satisfaction.

WRECKED STEAMER NOT WORTH REPAIRS AT PRESENT TIME

A Remarkable Indication of Decline in Value of Vessels

BEACHED FOR TIME BEING

(From Our Own Correspondent)

HALIFAX. —The lack of demand for marine tonnage received a striking illustration in the matter of the repairing of the steamship Impoco, lost off Yarmouth and towed to Halifax under contract with the Underwriters. It was not thought likely that the steamship could be got off Blonde Rock, but the Maritime Salvage and Wrecking Company took the job of floating the ship and towing her to Halifax. The salvage company is a subsidiary of Halifax Shipyards, Limited, and it was with the Underwriters that the contract was made, the figure being about $120,000. The Impoco was safely landed in Halifax harbour. Then tenders were called for by the Underwriters for her repairs. A number of offers came in from New York, and one from the Halifax Shipyards,—the latter the lowest, as it turned out. This was for a small fraction under $240,000. The actual constructive loss on the ship as notified by the owners, the Imperial Oil Company, on hull policies was $400,000 and on disbursements $185,000, making a total of $585,000. The bill from the Salvage Company and the offer of the Halifax Shipyards for repairs together came to $360,000. This left a balance of $125,000 as compared with the actual constructive loss of $585,000. The result was that no contract was let for repairs, and on the face of it there was a saving of a considerable amount.

What arrangement was made between the owners and the Underwriters is not definitely known, but the Impoco was ordered to be beached on the property of the Imperial Oil Company at Imperoyal, on the Dartmouth shore of Halifax harbor. There she will lie until some new action is taken or till the time comes when it will be considered worth while to repair her. It is generally understood that the company is in the meantime in a position profitably to do without her services in the trade between Mexico, bringing crude oil, and other ports, in delivering the refined article. It is a disappointment to Halifax Shipyards losing the job of repairs. When they were figuring on the tender this matter of the difference between the amount for which the Underwriters were liable and what she could be replaced for was not absent from the minds of the shipyards people.

STEEL'S UNFILLED TONNAGE.

A Decrease of Over 360,000 Tons During Month of May.

United States Steel Corporation reports unfilled tonnage on hand May 31, 1921, amounting to 5,482,487 tons, against 5,845,224 tons on April 30, 1921, a decrease of 362,737 tons. On March 31, 1921, unfilled orders aggregated 6,284,765, on February 28, 1921, 6,933,867 and on May 31, 1920, 10,940,466 tons.

Decrease of 362,737 tons in unfilled orders reported by United States Steel Corporation for May was about what had been generally expected. Estimates had placed bookings as of May 31 at slightly under 5,500,000 tons, the exact figures proving to be 5,482,487.

Production at the corporation's plants for the month averaged slightly under 40 per cent. capacity, shipments being probably somewhat over 500,000 tons. New business received was probably not more than 225,000 tons so that cancellations for the month must have bee well under 100,000 tons.

THE RUBBER INDUSTRY.

As is the case among automobile manufacturers, some of the rubber companies are enjoying better business than others, according to the Wall Street Journal. The situation in the industry as a whole has shown some improvement since the beginning of the year but with one or two exceptions the companies are operating considerably below the levels of the corresponding period last year.

Among the larger companies United States Rubber probably is making the best all round showing. It is the largest producer of rubber footwear in the world; it has a substantial mechanical rubber goods division and its recent additions to plants places it among the four larger producers of tires. Footwear and mechanical goods business is comparatively slow, but tire sales have steadily expanded to the point where they are running better than a year ago.

Havana dispatch says El Banco Espagnol de la Isla de Cuba, oldest Cuban bank, with 60 branches in island and worldwide connections, has asked assistance of Federal Bank Liquidation Commission.

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NO ATTEMPT TO SUB-DIVIDE THE RIORDON ASSETS

In Any Event Mills Likely to Remain Together.

VARIOUS EQUITIES

Securities Behind Bonds and Preferred Stock—Old and New Common Precarious

(From our own Correspondent)

Montreal—The keenest of interest continues to be felt in the affairs of the Riordon Company, Limited, and the efforts being put forth to save the company from liquidation. It is believed that the sale of the new issue of bonds will be continued well on in July, but if the plan as proposed fails, some alternative may yet be forthcoming in preference to liquidation. The feeling is growing that if the present attempts fail some form of recognition will be undertaken that would preserve intact the greater part of the present assets of the company as one organization. That is, there is no idea in circles close to the company that the various limits would be sold as separate groups, such as the mills, and the other properties. It is recognized that the greater part of the assets can be developed more efficiently as they are co-related today. In this manner the various groups of bondholders would come to an agreement that would conserve the properties without much division.

What "Old Common" Gets.

The question has been asked this week as to the relative equity of the old Riordon common stock and the old Riordon preferred, and the new 8 per cent. preferred. Some holders of old Riordon common hold to the belief that they possess the entire control of the $9,000,000 of second preferred stock and the $12,000,000 of new Riordon common that was proposed to transfer to them in return for their $6,000,000 of old common. This was a tentative proposal only, and the actual transfer [illegible] made, for the simple reason [illegible] would have been illegal without the consent of the preferred shareholders of the "old" Riordon, and the bonds would have had to be retired if a distribution of assets had been made.

As a matter of fact only $5,850,000 of the $9,000,000 remains as the balance was handed over by the Riordon Pulp & Paper Co., to go as a bonus with the new issue of 8 per cent. bonds now being offered to the shareholders. In any event the preferred shareholders claim, and would be prepared to fight the point out in court, that before the old Riordon common shareholders could touch the securities mentioned their own claims would have to be satisfied to the extent of 100 cents on the dollar. It would appear, then, that the old common stock occupies a distinctly inferior position to either the old preferred or the 8 per cent. preferred of the Riordon Company. Nor is there a disposition to attach much value to the 7 per cent. second preferred stock of the new company.

For the benefit of a large number of bondholders and of the first preferred shareholders who have inquired as to the allocation of the various assets as security for the four groups of bondholders and the preferred shareholders. The Financial Post has had prepared a table indicating the various assets belonging to the different groups, as follows:

A.

Riordon Pulp & Paper Company, 6 per cent. first mortgage bonds—$1,828,000.

Equity—First mortgage on Hawkesbury and Merritton sulphite pulp mills, with annual capacity of 48,000 and 9,000 tons, respectively, of bleached sulphite pulp; also 1300 square miles of timber limits on Rouge River.

B.

Riordon Pulp & Paper Company, 6 per cent. general mortgage bonds—$4,000,000.

Equity—Rank next to first mortgage bonds on all above assets, and in addition first claim on 2,424 common shares of Ticonderoga Pulp & Paper Co.

C.

8 per cent. 20-year sinking fund first mortgage and refunding gold bonds due Dec. 1, 1940 . $5,150,000. Equity—Special mortgage on all properties, limits, etc. of the Riordon Company, subject to the 6 per cent. first mortgage and 6 per cent. general mortgage ($5,828,000), and a miscellaneous mortgage of $55,000.

In addition has a first mortgage claim on the Kipawa property, and all timber limits except the Rouge and Gatineau.

D.

[illegible]ew issue—10-year 8 per cent. [illegible]gage and collateral trust bonds, [illegible], 1931. .... $5,000,000. [illegible]y—A charge on all the prop[illegible] the Riordon Company sub[illegible]or claim of outstanding [illegible] (A. B. & C.) amounting [illegible]0 and $2,000,000 more [illegible] would be exercised. [illegible] mortgage claim on [illegible]erty ranking sec[illegible]f purchase mort-

W. C. Edwards & Co.	$3,000,000
Gilmour & Hughson	2,000,000
	$5,000,000

Technically, a $6,000,000 second mortgage would be issued on the Gatineau property and this would be held as collateral by the trustee's for the new $5,000,000 bond issue now offered Riordon shareholders.

Gatineau Assets.

7,940 square miles pulpwood and white pine limits @ $1,500 per sq-mile	$11,910,000
Mills, bldgs., real est., etc.	3,000,000
Total	$14,910,000

E

First preferred Riordon Company Shares $10,000,000

Equity—Ranking after the bond holders and preferred creditors.

F

Preferred Stock of Riordon Pulp & Paper Company $1,500,000

Holds $1,500,000 of 8 per cent. preferred, and first claim on $5,850,000 of 7 per cent. preferred stock of the Riordon Company, and $12,000,000 of common stock of the Riordon Company.

G

Common Stock Riordon Pulp & Paper Company $6,000,000

Equity—Ranks second to preferred shareholders in claim to 7 per cent. preferred and common stock as given just above.

H

Common Stock, Riordon Company $27,000,000

Equity—Ranks after bonds and preferred stock as above.

GOOD EXPORTS PROSPECTS FOR ATLANTIC SUGAR

Circular Letter Indicates Bright Prospects Continuing—Change of Company's Year.

(From our own Correspondent)

MONTREAL.—A circular letter was sent out this week by Atlantic Sugar Refineries Limited announcing the changing of the annual meeting from July as heretofore to April of next year. This is the result of the change in the fiscal year of the company from April 30 to December 31. The result will be that the shareholders in April next will receive a report covering twenty months of the year and no report will be issued next month covering the past year.

Announcement is also made that the company has been successful in making very valuable connections abroad for export trade as a result of which the refinery has been operating for some weeks to full capacity. Indications, it is added, point to a continuation of these conditions for the future. Domestic business is still below normal, "so that the export business is of decided advantage in reducing costs of manufacture during the dull period in the home market."

OSWALD AND DRINKWATER

The Street welcomed again this week Malcolm C. Oswald, a former secretary of the Montreal Stock Exchange, who has formed a partnership with C. Graham Drinkwater, formerly of Aldred and Co., under the firm name of Oswald and Drinkwater. A seat on the Exchange was purchased a short time ago in the name of Mr. Drinkwater.

TORONTO RAILWAY

The meeting of the shareholders of Toronto Railway to consider the "clean-up" of the MacKenzie properties by the Hydro and the City of Toronto has been again postponed and is now scheduled for August 19th. Concluding the notice calling the meeting Sir William Mackenzie says: "Should arrangement be concluded which will be satisfactory to your directors, a memorandum outlining the proposals will be sent to the shareholders in advance of the meeting, unless the necessity for a further postponement of the same should arise."

DIVIDEND PAYMENTS

Company.	Date.	Rate.	Record
Crocker Wheeler, com.	June 30	1¾	June 20
Do., pref.	June 30	1¾	June 20
C. P. Rly. com.	June 30	2½	June 1
Sher.-Williams, com...	June 30	1½	June 15
Do., pref.	June 30	1¾	June 15
Consumers Gas	July 2	2½	June 15
Nipissing	July 20	5	June 30
Ogilvie Flour, com	July 2	3	June 21
City Dairy, com.	July 2	1¾	June 20
Pacific Burt, com. ...	July 2	1	June 17
Do., pref., ...	July 3	1½	June 17
Smith Paper, com., ..	July 20		July 10
Do., pref	July 20	2	July 10
Porto Rico, com	July 2	1	June 15
Do., pref	July 2	1½	June 15
Abitibi Paper, pfd....	July 2	1¾	June 30
Dom. Canners, pfd	July 2	1¾	June 18
Can. Locomotive, com.	July 2	2	June 20
Do., pref	July 2	1¾	June 20
Lyall Cons.	July 11	2	June 30
Montreal C and D	July 2	2½	June 10
Wabasso	July 2	1	June 15
Lon. and Can. Loan ..	July 2	2¼	June 15
Gould Mfg. com.	July 1	1½	June 20
Do., pref	July 1	1¾	June 20
Intercol. Coal, com. ..	July 2	3½	June 18
Do., pref	July 2	3½	June 18
Bell Telephone	July 15	2	June 30
Can. Landed	July 2	2½	June 16
Huron and Erie ..	July 2	1½ ½	June 15
Twin City, pref	July 1	1¾	June 16
Illinois Tr. pref	July 1	1½	June 15
Toronto Mortgage ..	July 1	2½	June 15
Ham. Provident	July 2	4½ ½	June 15
Can. Gen. Electric, com	July 1	2	June 15
Tuckett Tob. com. ..	July 15	1	June 30
Do., pref	July 15	1¾	June 30
Dom. Textile, com ..	July 2	3	June 15
Brazilian, pfd	July 1	1½	June 15
Ontario Loan	July 2	2½	June 15
Nat. Trust	July 2	3	June 19
Dom. Bank	July 2	3	June 19
Nat. Breweries, com ..	July 1	1	June 15
Do., pref.	July 1	1¾	June 15
Dome Mines	July 20	25c	June 30
Central Can. Loan....	June 30	2½	June 15
Brit. Amer. Oil	July 2	2	June 20
Tor. Gen. Trusts	June 30	3	June 17
Prov. Paper, com ..	July 2	1½	June 15
Do., pref	July 2	1¾	June 15
Dom. Glass, com	July 1	1½	June 15
Do., pref	July 1	1¾	June 15
Shawinigan	July 11	1¾	June 27
Tri-City, pref	July 1	1½	June 25
Dom. Power, pref	July 15	3½	June 30
West Kootenay, pfd...	July 2	1¾	June 22
Ottawa Car	July 1	1	June 15
Laurentide	July 2	1½	June 23
Ottawa Traction	July 1	1	June 15
Col. Investment	July 2	1½	June 30
Goodwins pref.	July 2	1½	June 21
Kerr Lake Mines	July 15	12½c	July 1
Can. Car, pref.	July 12	1¾	June 28
Amer. Salesbook, pfd.	July 2	1¾	June 20
Rogers, Wm., pfd.	July 2	1¾	June 21
Can. Salt	July 2	2	June 20
North Star Oil, pfd. ..	July 2	1¾	June 15
Holt Renfrew pfd. ..	July 1	1¾	June 27
Interprov. Clay, pfd.	June 30	2	June 25

FIVE SHARES FOR FOUR IS BASIS OF MERGER

This is Proposed for Taking Over of London and Canadian Agency

The basis upon which it is proposed that the London and Canadian Loan and Agency Company be taken over by the Canada Permanent Mortgage Corporation has not as yet been announced. The Financial Post learns, however, that the proposal which is to be submitted to the shareholders of the Companies is, roughly, as follows:

Ten shares of London and Canadian Loan and Agency Company (par value $50.00 per share) to be given for 40 shares of Canada Permanent Mortgage Corporation (par value $10.00 per share). Or for four shares of Canada Permanent Mortgage Corporation stock if the change of the par value to $100, as is now being sought, is allowed.

This would mean that the shareholders of the London and Canadian Loan and Agency Company would figure out dividends on their present stock, and on that it is proposed to give them in place thereof about as follows:

Ten shares London & Canadian Loan & Agency Company ($50.00 par value) at 9 per cent.—$45.00. Forty shares Canada Permanent Mortgage Corporation (par value $10.00) at 12 per cent.—$48.00.

From this it would seem that the shareholders of the London and Canadian Loan and Agency Company would be making a favorable exchange—a point which is emphasized by the consideration that the Canada Permanent stock possesses the factor of saleability to a greater degree than does the London and Canadian Agency. A point which shareholders will also consider, doubtless, is as to future earnings under the two possible managements.

From the standpoint of the Canada Permanent, the proposed amalgamation seems desirable for a number of reasons. There is not and expensive, and perhaps unprofitable, head office building to be taken over. The mortgages of the London and Canadian Loan and Agency Company can be managed with practically the same staff that the Canada Permanent now employs. The debentures of the London and Canadian are all in Scotland, where the Canada Permanent is so widely and favorably known that it will doubtless be able to get renewal of a very high percentage of the debentures which fall due in July. (While the regular renewal dates are May and November, the London and Canadian Loan and Agency Company have some also falling due in July and January).

Then, of course there is the point that the acquisition of the assets of the London and Canadian Loan and Agency Company will give to the Canada Permanent wider power to accept deposits without seeking any changes in the somewhat stringent charter under which it now operates.

The expectation is that the amalgamation, if approved, will be consummated by the middle of October, at which time a final distribution of some moneys kept for winding up proceedings will be divided among the shareholders of the London and Canadian Loan and Agency Company.

CANADA STEAMSHIPS

Negotiations in connection with the financing of Canada Steamship Lines are still proceeding, it is understood, both with London, and locally. The reports from official sources indicate that the earnings to date on account of upper lakes' freight exceed those of last year. The passenger traffic is a little less, but the net earnings are quite up to last year, as one boat that was used for hotel purposes last year is not employed this year. The prevailing opinion here is that the dividend on the preferred will be maintained.

STEEL CO. DIVIDEND WAS NOT IN DOUBT

Robert Hobson Makes Statement to The Financial Post Regarding Situation

(From Our Own Correspondent)

MONTREAL. —At the directors' meeting of the Steel Company of Canada, the expectations of the Street were verified by the declaration of the regular quarterly dividends of 1¾ per cent. on both the common and preferred stock.

The declaration sets at rest the discussion recently brought about by a message purporting to come from a director of the company at Hamilton, intimating that a cut in the dividend might take place, and can be classed among the few constructive events of the past week.

Robert Hobson, persident of the company, told The Financial Post that the declaration of the dividend was made without the slightest hesitation or discussion by the directors; the company had more than earned the dividend for the quarter and in a few months he expected considerable improvement in conditions.

FINANCIAL ADVERTISERS.

Canadian Representatives Attend Convention at Atlanta.

The sixth annual convention of the Financial Advertisers Association was held last week at Atlanta in connection with the 1921 convention of the Associated Advertising Clubs of the World. A special feature of the event was the exhibit of financial advertising material, the display being on a much larger scale than anything previously attempted, and presenting a practical demonstration of the work being carried on as outlined by the various speakers.

Delegates from Canada at the convention were: A. Gordon Tait and C. P. C. Downman of the Royal Bank, Montreal; and C. E. Elvins of the Imperial Life, and John Cowan of the Toronto General Trusts Corporation, Toronto. Mr. Cowan was elected as Canadian member of the executive of the Financial Advertisers' Association.

STOCK MOVEMENTS OF THE WEEK

Week ending June 21.

Banks	Ask	Bid	High	Low	Close	Sales
Commerce	185	183	185	183½	184	160
Dominion	192		193½	191	191	24
Hochelaga	155		152½	150	150	140
Imperial	181		183	180	180	26
Merchants		172	175	172	173	93
Montreal		200	205	202½	203¼	64
Royal	202	200	201	199	199	165
Standard		203	203	203	203	3
Toronto	178	177	179	177	177½	31
Union	152	150	150	148	148½	287

INDUSTRIALS, UTILITIES, ETC.

UTILITIES, ETC.	Ask	Bid	High	Low	Close	Sales
Abitibi Power & Paper Com.	31½	31	32½	30	31	3080
Abitibi Power & Paper pref.	84		83	83	83	25
Ames-Holden, pref.			19	19	19	5
Amer. Salesbook Com.	5	4	5	5	5	50
Amer. Salesbook pref.	75	72	75	73½	73½	8
Asbestos Corp. Com.	58		55	55	55	10
Asbestos Corp. pref.		69	75	75	75	11
Atlantic Sugar Com.	25½	25	28	24	25¼	2031
Barcelona Traction	4½	3¾	4	4	4	10
Bell Telephone		102	103	102	102½	374
B. C. Fishing	35	30	37	35	35	55
Brazilian Traction Com.	26¼	26	28¼	25	26	7431
Burt, F. N. Com.	100	95	105	98	105	50
Brompton Paper	28¾	28½	30½	27	29	1732
Canada Bread Com.	20	19	20	19	19½	205
Can. Car. & Fdry. pref.	51		51	49	49½	110
Canada Cement Com.	49¾		52	49½	49½	3740
Canada Cement pref.	87		88	86¾	87	185
Can. Converters	62	61	62	60	60	165
Can. Cottons Com.	70		70	70	70	10
Can. Cottons pref.		75	76	75	75	6
Can. Gen. Electric Com.	109	108	108¾	106½	108	531
Can. Gen. Electric pref.		100	100	100	100	10
Can. Locomotive Com.	75		80	80	80	2
Can. Pacific Railway	120	119½	125	114	119	523
Can. Steamships Com.	20¼	19½	20¼	18¼	18¾	1114
Can. Steamships, pref.	47	46½	48	43½	46¾	1011
City Dairy, pref.		80	80	75	80	11
Consumers' Gas	68	66	67	65¾	66½	114
Detroit United Rly.	70½		75	70	70	81
Dominion Bridge	66½	66	68	64	64	506
Dom. Canners Com.	20		21	19	19	100
Dom. Canners, pref.	78		78	78	78	3
Dominion Glass Com.		52	53	52	52	30
Dominion Iron, pref.	65		60½	60	60	25
Dominion Steel Corp.	24½	23½	26½	24	24¼	2806
Dom. Textile Com.	126	124	130	125	125¾	715
Howard Smith Paper Com.		70	72	70	71	210
Howard Smith Paper, pref.			71	71	71	15
Illinois Traction, pref.			67½	67½	67½	10
Lake of the Woods, Com.	135½		135	135	135	45
Lake of the Woods, pref.		102	103	103	103	25
Laurentide Paper	83	82½	84½	81	82	1410
Macdonald A. Com.	16		15	15	15	50
Mackay Com.	73	71½	72¾	72	72½	49
Mackay, pref.	62	60	60½	60½	60½	25
Maple Leaf Mill, Com.	125		126	126	126	25
Maple Leaf Mill, pref.		93	96	95	95	259
Monarch Knitting, pref.	80		77½	77½	77½	4
Montreal Cottons Com.		78	80	79½	80	111
Montreal L.H. & P. Coms.	81½	81½	82	81½	81½	1179
National Breweries Com.	49	48¾	51¼	48	49	4465
N. S. Steel & Coal, pref.			84	84	84	1
Ogilvie Milling, pref.		100	106	105½	105½	85
Pacific Burt, Com.	38	36	36	35	36	85
Pacific Burt, pref.	78	73	78	78	78	1
Pacific Burt, pref.	78	73	78	78	78	1
Penmans Com.	100		100	100	100	40
Penmans, pre		82	83	83	83	45
Porto Rico R ys, pref.		77	78	77	77	56
Price Bros.	33		34	30	30	186
Que. Railway L. H.	24½	24	26½	23	24	2405
Riordon Paper Com.	10	9	10¾	7¼	9½	1404
Riordon Paper pref.			15	15	15	20
Rogers, Wm. Com.	53		50	50	50	5
Sawyer-Massey, pref.	40	33	35	35	35	25
Shawinigan W. & P.	103½	103	105	103	103¼	693
Spanish River Pulp Com.		62	63¾	60½	62	1560
Spanish River Pulp pref.		70	71½	70¼	70½	1735
Steel of Canada Com.	48¼	47¾	52	42½	48½	6470
Steel of Canada, pref.	88	86	87	87	87	80
St. Lawrence Flour Com.	51	50	50½	50	50	175
Tooke Bros. Com.		40	38	38	38	20
Toronto Railway	73½	72½	77½	72	72	1817
Tuckett Tobacco Com.	39		35	35	35	100
Twin City Com.		41	46	46	46	25
Wabasso Cotton			43	43	43	10
Wayagamack	67½	66¾	67½	66¾	67	1972
Winnipeg Rly.	37½	35½	40	36	36	70

ALABAMA CO.'S NET EARNINGS SHOW BIG GAIN

Operating Revenues of $4,149,000 as Against $2,843,000.

SURPLUS $244,000

Increase in Power Consumption—Big Traction, Light & Power Co. is Now Developing Steadily

(From our own Correspondent)

MONTREAL.—The eighth annual report of the Alabama Traction, Light & Power Company, Limited, whose head office is in Montreal, shows that for the year ending December 31 last the company's net earings ran far ahead of those of the previous year. The operating revenues, for instance, amounted to $4,149,233 as against $2,843,385, an increase of $1,305,848. Operating expenses increased only $691,000, leaving an increase of $614,000 in operating income to close to 50 per cent. over that of the year 1919. The net income amounted to $2,101,000, an increase of over $507,000 over the previous year. The surplus for the year amounted to $244,000.

The profit and loss account for the two years compared as follows:

Profit and Loss Account.

	1920	1919
Operating revenues	$4,149,233	$2,843,385
Operating expenses ..	2,160,248	1,468,850
Operating income ..	$1,988,985	$1,374,535
Net income	$2,101,762	$1,594,004
Other sources	112,777	219,469
Deductions:		
Interest on bonds ...	$1,351,121	$1,248,740
Dividends on Preferred	9,064	....
Reserves:		
Amortization and expense	234,333	125,746
Depreciation, etc	262,201	202,723
Total charges	$1,857,318	$1,577,209
Surplus	$ 244,444	$ 16,795

Increased Demand and Higher Rates

The increase in gross revenue was accounted for through the larger amount of power sold in all the company's division and to the benefits received from higher rates, applying to certain contracts for power sold during the year. During the first half of the past year the demand for power was very great. The peak loads carried were the largest in the history of the company and made necessary practically continuous operation of the reserve steam plants. In the last quarter of the year there was a decrease in activity and this depression has extended into the present year. The Alabama Public Service Commission granted the company increases in the rates of fare in two of the street railways and also allowed higher rates for gas in three centres. Since the close of the year the rates of fare on another railway have been decreased and application has been made for further increases in gas rates . During the year the electric lighting and local power distribution lines and street railway in the cities of Gadsden and Alabama City were purchased and are now operated as part of the system. The report also notes that a serious strike in the Alabama coal-mining district crippled all mining operations, reducing output and greatly adding to the cost of production and delivery of coal. There was also heavier damage caused by storms than in any previous year. A large number of extensions to transmission lines and increases in output were brought into effect

During the year, the following securities of the company and of Alabama Power Company, its subsidiary company, were sold:

Notes, Bonds and Stock Issues.

$1,000,000 par value Alabama Power 6 per cent. gold notes.

$482,000 par value 5 per cent. 50 year first mortgage gold bonds Alabama Traction, Light and Power Company, Limited.

$188,000 par value 5 per cent. 30-year first mortgage bonds Alabama Power Company.

$374,200 par value 7 per cent. cumulative preferred stock Alabama Power Company.

The balance sheet shows current and working assests amounting to $2,423,247, with current and accrued liabilities of $1,736,571.

MINING STOCK QUOTATIONS

Week Ending—June 21.

	High	Low	Close	Sales
Adanac	¼	¼	¼	16550
Apex	1½			1000
Atlas	23½	22¼	22½	31500
Beaver	30			1000
Boston Creek	9			500
Chambers				
Ferland	6½			1000
Cons. Smelters	15½	14½	14½	1152
Crown Reserve	12½	9¾	9¾	18300
Dome Lake	5			400
Dome Mines	19.35	18.60	19.25	8800
Dome Mines	19.35	18.60	19.25	88
Gifford	¼			2000
Gold Reef	3¼	3	3¼	3500
Hollinger	7.15	7.05	7.15	2760
Keora	12	11	11	22000
Kirkland Lake	44	42	42	3200
La Rose	20			100
Lake Shore	1.20	1.19	1.20	2100
McKinley Darr.	19			500
McIntyre	1.93	1.88	1.88	6550
Mining Corp.	1.20	1.12	1.12	125
Ophir	1½			1000
Newray	6	5¾	6	6400
Nipissing	5.00	4.60	5.00	519
Peterson Lake	5½	5	5	2200
Porcupine Crown	16½	14½	15¾	5800
Preston E. Dome	2½			500
Schumacher	22	20½	22	7500
Silver Leaf	1½			4500
Teck Hughes	12½	11	12	19000
Temiskaming	21½	20½	21	6000
Thompson Krist.	4½			8000
Tre-hewey	17	16	16	7250
V. N. T.	19½	18	18	36000
West Dome	8½	6	8½	4000
Wasapika	8½	8¾	8¾	24500
West Tree	8			1500
Skead	31½	31	31½	2000
South Keora	17	16	17	23700
Wakenda	3½			1000

GUNDY ON THE RADIAL SCHEME

(Continued from page one)

could be said of other municipalities.

"Why not let us go on and develop conservatively?" said Mr. Gundy. There is a limit to the credit of even a rich province like Ontario. We have been borrowing very heavily. It seems to me we have too many railways in this country now, enough in fact for five times our population. We are in larger power scheme costing many millions. Would it not be better to get some of these things paid for and on a sound basis before we plunge into millions more of debt?"

Speaking of the value of securities in Canada Mr. Gundy stated that next to the Dominion of Canada bonds those of Quebec province stood highest in the list. Public utility bonds such as those issued for railways were low in the market scale. "There is nothing that creates prejudice against an undertaking like losing money in it and the operations of recent years has been far from satisfactory financially." He quoted the Twin City stock which stood very high a few years ago, as now down and said that municipalities seemed to be able to operate other utilities with fair success but when it came to railways they fell down, as in the case of Edmonton. That city made half a million profit on other utilities and lost it all to make up a deficit on its railway.

Touching on how the provincial guarantee of these hydro radial bonds appears to investors the witness said they regarded it as an unwise venture for the province to go into the enterprise. It was regarded as unsound and would adversely affect the good credit of Ontario.

The Post would draw attention of its readers to the fact that the Hydro in asking the Government for guarantee, estimated on a five per cent. interest charge on bonds. Mr. Gundy said that the Province of Ontario to-day has to pay 7 per cent. In this connection it may be included that the evidence given by Mr. Gutelius, who is vice-president of the Delaware & Hudson Railway, he said Wednesday that roads in the United States that require to get new capital now have to pay seven and sometimes a trifle over.

It is also interesting to note that Mr. Gundy said the debts of Ontario municipalities was tremendous and so involved that it was impossible for anyone to tell what they totalled.

The Wild Carnival of High Prices is Over

The Printers' Unions of Toronto pay their dues and take their orders from their head office in the United States

Some time ago they got instructions from their head office in Indianapolis, Ind , to demand shorter hours and more wages, and if these orders were not acceded to, to strike

The Toronto Publishers and Employing Printers refused to grant these demands So on June 1st, the Printers struck

There is no use in the Toronto Printers, or any other body of men, blindly failing to realize that the wild carnical of High Prices is over

If the members of the Printers' Union go out to buy boots to-day, they do not expect to pay more than they did a year ago

They demand, and get, cheaper boots

They are not willing to pay more for clothes, or foodstuffs, or any other commodity

They expect to pay, and do pay, less

And the public is not tolerant of any scheme or arrangement which is going to make its printing cost more It is lower prices they are looking for. Why should printing costs advance, when prices of everything else are going down? That is why the Publishers and Employing Printers are resolutely and unalterably opposed to he ganting of shorter hours and more pay, because it, of necessity, means dearer printing and the public will not buy dearer printing

That is why we are resisting and refusing to obey the mandate from the United States that the Local Printer demand more wages and shorter hours

The Purchasing Agents' Association of Toronto at their meeting, held June 8th, 1921, passed the following resolution:

"We endorse the attitude of the Toronto Typothetae in their efforts to prevent increased cost of printing and deplore the action of some Employing Printers in granting the Unions' demands, which, necessarily will result in an increased cost of production, when at this period economic conditions demand that production costs be lowered rather than increased "

The MacLean Publishing Company are fightng these universal demands not only in the interests of their own business (and this includes the employees who are on strike) but in the interests of business conditions generally

Good times and healthy business conditions cannot return unless we all do our part to get through the readjustment period in a sane and reasonable way

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British Columbia

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CANADA CEMENT COMPANY
LIMITED
ORDINARY SHAREHOLDERS
DIVIDEND NO. 21

NOTICE IS HEREBY GIVEN that a dividend of 1½ per cent. for the three months ending June 30th, 1921, being at the rate of 6 per cent. per annum on the paid up Ordinary Stock of this Company, has been declared, and that the same will be paid on the 16th day of July next, to Ordinary Shareholders of record at the close of business June 30th, 1921.

H. L. Dobie,
Secretary.

Montreal, June 15th, 1921.

PROSPECTORS ASK CHANGES IN MINES ACT

Haileybury Association Lays Arguments Before the Provincial Minister

NOTES FROM THE NORTH

Fine Indications Revealed on Dome—Great Activity in Skead Township—Gold Find in Rattay

(From Our Own Correspondent)

COBALT—Progress in mining and mining legislation was much to the front of late, due to the visit of the Minister of Mines, Hon. Harry Mills to the various camps of Northern Ontario and followed by the annual gathering of the Ontario Mining Association at Cobalt.

The Minister of Mines met the Haileybury Prospectors Association and the prospectors laid before him certain changes in the mining act which they have long been agitating for. Perhaps the most important concession asked by the prospectors, outside of the abolition of the long debated discovery clause, which is declared to have been nothing more or less than a premium on perjury, the prospectors pressed hard for a change in the present law which would give to them the ownership of the timber on any claims staked.

The minister stated that the discovery clause had been in force for 24 years and that to abolish it meant that the whole act would have to be materially altered. He wanted to make sure that there was a real demand for its elimination, before taking act. He also intimated that he considered the timber law too hard on the prospector, although he did not say that the prospector should have all the timder on claims staked.

Mr. Mills does not favor a mining court. He expressed the opinion that the extension of the powers of the Mining Commissioner to deal with patented claims, fitted the bill.

Much interest is being taken in the proposal to resume the exploration of the sand-plains of Porcupine which lay to the west of the present camp and in line with the gold-bearing deposits. The Longyear interests drilled and located large nickel deposits in the Sudbury Nickel area.

Some interesting facts about the progress and development work at the Dome mine was made by Manager De Pencier at the recent meeting of the shareholders of that company. He stated that drilling on the tenth level had exposed an ore shoot 360 feet long, while operations on the eighth level also met with good results, and the indications were that they had struck the top of a large ore body which existed on the tenth level.

Operations being carried on at the Colonial Mine, Cobalt, which property is adjacent to the O'Brien, are producing high grade ore. The property is among the most favorably looked upon of the undeveloped properties of the camp. Its close proximity to the O'Brien adds greatly to its prospective merit.

There is great activity in Skead Township. On the Skead Gold mine claims, M. L. Bauzan reports an interesting find. A channel sample in a six foot test pit showed $79 across fifteen inches with the wallrock showing $6. The vein while narrow looks good. It contains secular iron, a little copper and quartz. This company owns 57 claims in the area.

Peter Flanigan, a pioneer prospector of Skead who holds seven claims on which several big claims of medium grade ore have been opened up, is organizing a syndicate to operate them. Three of these veins have been traced for 400 feet.

By July it is expected that the Wisconsin-Skead will again be going.

A gold find is also reported from Rattray Township which is between Skead and the Quebec boundary. The mine is close to the Skead border.

Prospectors are giving much attention to Holmes and Slavelle where it is reported a rich find was made by man named Brookbanks. A sample brought out assayed hundreds of dollars. It is understood that the find was made on a veteran claim, but nothing was said about it until the claim was secured and the adjoining area staked.

DULUTH-SUPERIOR.

Dividends in Preferred Passed—Unsatisfactory Showing of Earnings.

The long dividend record of Duluth-Superior preferred was broken last week when the directors decided to pass the dividend of 1 per cent. due July 1. This action arises out of the unsatisfactory showing of earnings made by this company during the past few months, despite the fact that tractions generally have been improving their position. This company has tried on several occasions to obtain permission to increase its fares, but without success. The last and third vote on the question was taken in January of this year, but the company again failed in its attempt to secure higher fares.

While dividends have been met on the preferred at the rate of 4 per cent. per annum until the present, the returns on the common have not been so regular. Dividends on the common were reduced from 4 to 2 per cent., in January, 1915, and discontinued from July 1, of the same year. On October 1, 1917, 1 per cent. was paid and for each of the four quarters ending December 31, 1918. Dividends were again passed forpassed for the succeeding quarter and have not been resumed. The preferred is cumulative.

RAILWAY EXTENSION TO MINING CAMPS

Government Will Assist the Light Railway Project in Northern Ontario

(From Our Own Correspondent)

SUDBURY.—It is now certain that the Provincial Government is going to assist the light railway extend its feeder lines from the T. and N.O. into the different mining camps. Or at least a part of them.

It is understood that the matter has practically been decided and as soon as the report of Chairman Lee of the T. and N.O., dealing with certain phases o fthe matter, is received, an announcement will be forthcoming. The reports in circulation in the north, following the visit of the Minister of Mines, are to the effect that $3,000 a mile might be expected, or a total of $300,000 and that this would be charged to the Northern Ontario Development fund.

It is understood that officials of the light railway will launch construction of a line east from Swastika, the minute the announcement of assistance is received from the Government.

MINING PROFITS ARE ON INCREASE

Labor and Other Production Costs are Continuing to Decline

(From Our Own Correspondent)

SUDBURY.—There are many indications that the end of the present year will see a larger portion of receipts in the net profit column of the operating mine's books. than has been the case for some time, this because costs are steadily dropping and the gold mines as a result are speeding to the point where they will be in a position to make the most possible out of it. Large tonnages is the order of the day. Large mills are running to capacity, and there is hardly an operating gold mine not connected with a rumor that the mill capacity is to be increased. This applies to the McIntyre and Hollinger, while the Dome is now making some changes. The same applies to Kirkland Lake. The Lake Shore may double its tonnage. The Kirkland Lake Gold, Teck-Hughes and some of the other smaller ones are talking bigger tonnage.

Already the electrical supply companies have announced a big cut in prices, while in machinery and other supplies the prices are daily coming nearer the desired goal. And it is making for a great deal better business.

GOOD ASBESTOS FOR PORCUPINE DISTRICT

(From Our Own Correspondent)

PORCUPINE.—Samples of asbestos taken out of the claims of Messrs. G. Drew and G. Grimston in Delora Township run about fifty per cent. asbestos and are considered to be as excellent as any found in the North country. Some samples from old veins and some from new have been brought out recently and attracted considerable attention. The extent and quality of the asbestos have attracted much attention and Montreal interests have sent men in to examine the find. The property has the proper formation with veins that hold, and good quality of fibre. These claims are about four miles south of South Porcupine and adjacent to the old Slade property of Campbell and Ray, another promising asbestos property. The rock alongside the veins is also highly graded with asbestos and this could be used for commerical purposes as well as the veins.

DULUTH—SUPERIOR.

Earnings of the Duluth-Superior Traction Company for the week ending June 14 amounting to $84,268 showed a decrease of $4,380 or 11.3 per cent, compared with the corresponding period in 1820. Fron January 1, to June 14, the earnings totalled $816,524, a decrease of $62,802 or 7.1 per cent.

HIGHER PROFITS FOR CROWS' NEST COAL CO.

Best Year Since 1913—Production Totals Are Up.

Increased production together with high prices for the company's products enabled the Crows' Nest Pass Coal Company to show what almost constitutes a record of earnings, for the year 1920. Profits for the year are the highest since 1913, and stand at $441,478, compared with $109,540 for the previous year, and $216,984 for the year 1918. Coal production for the year stands at 779,942 tons against 536.543 in 1919, while the coke produced was 75,928 tons, against 63,915 in the previous year.

With the balance of $68,613 carried forward less income tax amounting to $12,927 for 1918, there was available for distribution the sum of $497,165. Dividends at the rate of 6 per cent., amounting to $372,688, were paid, leaving balance at credit of profit and loss of $124,476.

The following comparative table shows profits for the past three years:

	1920	1919	1918
Net profits ..	$441,478	$109,540	$216,984
Balance for	68,613	318,497	381,013
	$510,091	$428,037	$597,997
Ins. surplus	....	13,345	......
Accs. paid	....	1,953	......
	$510,091	$443,335	$579,997
Less income tax—	12,927	2,053	......
Dividends	372,688	372,669	279,499
Balance	124,476	68,613	318,498
	$510,091	$443,335	$597,997

The company's liquid position has materially improved during the year. Current assets stand at $1,303,673, compared with $936,595, while current liabilities are $412,897, against $328,473. Inventories have been reduced and stand at $222,131, compared with $240,604. Cash amounts to $541,128, against $281,294. Total assets are $6,750,040, against $6,609,753 at the close of the previous year.

At the annual meeting several changes were made in the directorate. E. C. Whitney, Ottawa, Vice-President, and Ralph Budd, St. Paul, Minn., disappear from the list, and James T. Maher, James F. Edgar and Col. J. T. Crabb are added. H. B. McGiverin, Ottawa, becomes First Vice-President, and W. H. Robinson, Granby, Que., Second Vice-President. W. R. Wilson was re-elected President and General Manager, and the other directors are: Ellis P. Earle, New York; Dr. G. W. Howland, Toronto; and A. H. MacNeill, Vancouver.

MEXICAN POWER COMMITTEE REPORTS

Submits Proposal Regarding Bond Interest Arrears—More Hopeful Outlook

A proposed plan for dealing with the arrears of interest on bond securities of the Mexican Light, Power and Tramways group of companies has been prepared by a special committee and will be submitted for the approval of the bond-holders at meetings to be convened for the purpose. The report states that until recently conditions were too unstable for the committee to make any proposals to the bond-holders, but, as indicated in the committee's report issued in October last, the revolution of May, 1920, seemed to establish the government upon a popular basis, and although the position of Mexico remains difficult the outlook is more hopeful. The committee therefore believe that they are now justified in placing the facts before the bond-holders and making the proposals embodied in the provisional agreement of arrangement.

It is pointed out that the Mexico Tramways Co., and the Mexican Light & Power Co., and its subsidiary companies have paid no interest upon their bonds and unfunded debts for over six years, and the aggregate of the funds now available falls far short of the amount required to discharge such interest, quite apart from the principal of the unfunded debts, which are long overdue and have to be dealt with.

The aggregate amount of the debts of the associated companies as at December 31, 1920, was over $3,897,000, made up of £3,672,000 in respect of interest due to bond-holders and sinking fund payments in arrear on the bond issues and £5,225,000 in respect of the principal and interest on the unfunded debts, including 16,245,626.60 dols. (approximately £3,338,000) due by the Light and Power Company to the Tramway Company in respect of cash advances. It should also be mentioned that since November 1913, no interest has been paid on the 6,000,000 dols. 7 per cent. Cumulative Preference shares of the Light and Power Company.

An outline of the principal terms of the provisional agreement indicates that action will be taken in cleaning up certain of the arrears of interest within the next year or so, with a fair prospect of the resumption of regular interest payments at a later date on behalf of several of the companies.

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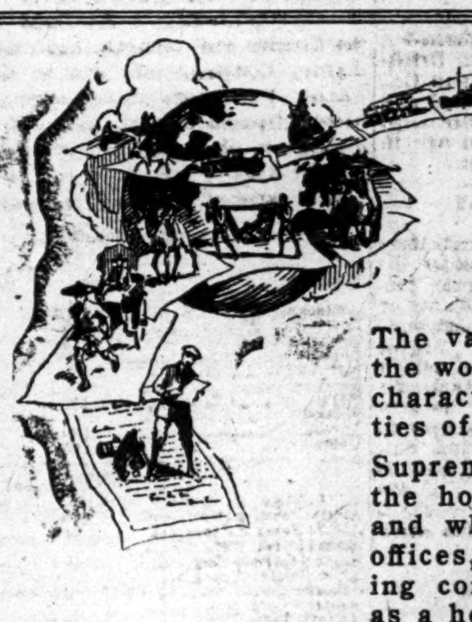

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NEWS OF THE BOND MARKET

ARE PLANNING SOLUTION OF BIG QUESTION

Saskatchewan Government Will Introduce Legislation at Next Session

TOWNS IN DEFAULT

Not Likely There Will Be Direct Financial Aid Although This Was Suggest-By W. L. McKinnon

Steps will be taken shortly by the provincial government of Saskatchewan tending to the improvement of the position of some of the municipalities of that province which are in financial difficuties and have been forced to default in payment of debenture principal and interest. The matter has been under consideration by the provincial goverment for some time and it is realized that the refusal of the government to outline any definite policy in regard to municipal defaults has injured the credit not only of the various municipalities but of the province itself.

What the nature of the provincial government action will be, is as yet undetermined, but it is hardly likely that direct financial assistance will be rendered. In fact, the only official or semi-official disclosure that there is any action contemplated, came this week when Hon. George Langley referred to the "insidious boycott that has been promulagted among bond dealers and investors," and stated that the provincial government contemplated legislation during the next session with regard to the matter. "We must get the credit of the province established on a lasting and sound basis," he said. But while the province has not yet shown its hand, action of some sort is pretty sure to come.

In Saskatchewan the following municipalities are in default:

Battleford, Humboldt, Canora, Melville, Scott, Sutherland and Wilkie, in addition to the city of Swift Current.

Suggestions of W. L. McKinnon.

Along the line of provincial assistance for municipalities the suggestions offered at the recent bond dealers' convention by W. L. McKinnon, are of interest. It will be noted that they include direct financial aid from provincial revenues.

In addition to Saskatchewan towns in default, municipalities elsewhere in Canada that are involved are:

In British Columbia, Greenwood; in Alberta, Athabaska, Coronation, Macleod, Redcliff and Diamond City; Quebec, St. Michel de Laval, Montreal North and Pointe aux Trembles.

CUT DOWN EXPENSES.

Town of New Toronto Finds Policy of Retrenchment Necessary.

Finding that the condition of the investment market made it impossible for the town to market its last issue of $20,000 of debentures, for which tenders were recently called, the council of New Toronto has decided on a policy of curtailing expenses in every department of the civic government. The town has piled up an exceptionally heavy debt, largely on local improvements, and much work that had been contemplated along this line will have to be postponed.

THE NONPARTISAN LEAGUE.

What it has accomplished for North Dakota.

The Fargo (N. D.) Forum asks:

What has the Nonpartisan League accomplished?

It has tripled taxes, of course.

It has run the state into debt several million dollars.

It has given us a bank which can't pay its depositors.

It has taxed farmers for hail losses and put the money into houses for Bill Lemke so the hail warrants can't be cashed.

It passed a grain grading law which was declared worthless by the courts.

It has given North Dakota the worst marketing conditions ever known.

It has ruined the state's credit to such an extent that nobody will buy $6,000,000 worth of bonds when everyone admits the state has hundreds of millions of dollars of security back of them.

It induced the farmers of the state to hold wheat they might have sold for $2.50 a bushel and they are still holding at a loss of more than $1 a bushel.

The list could be lengthened indefinitely.

By all means judge the league "for what it has accomplished." Its worst enemies could wish it no worse fate.

CAUSE OF RIORDAN TROUBLE.

Shareholder—"Who got the company into its present condition?"

F. P. Jones—"That is rather a difficult question to answer in a few words, but without going into the matter precisely I will say that in my opinion the company was brought into its present position by the management of the company being too optimistic; being carried away, and taking on commitments and extensions of plant without providing the money to pay for it. Now, some people say the drop in the price of pulp of $100 a ton is the cause. In my opinion that was not the cause. It only made the conditions worse, and brought the house down sooner than it otherwise would have come down. The whole cause was buying property and building plants without having sufficient maney to pay for them." ....In other words, if this company had stopped the construction at Kipawa I do not think you gentlemen would be ing here today."

PRESTON'S BOND ISSUE BOUGHT BY MATTHEWS

Town Pays 6.80 Per Cent. For Its Funds—Tenders Are Few.

R. C. Matthews and Co. of Toronto have purchased a bond issue made by the town of Preston, Ontario. The issue amounted to $36,948 for various maturities, bearing interest at 6 per cent. and at the price received, 95.27, the town borrows at 6.80 per cent.

The tenders received numbered only four, although Preston is well regarded by investors. Two elements contributing to reducing the number of tenders: the tightness in the money market and the "broken up" list of maturities in the issue.

Tenders:

R. C. Matthews and Co.	95.27
A. E. Ames and Co.	94.97
C. H. Burgess and Co.	94.76
Dyment Anderson and Co.	94.47

ONTARIO HYDRO PUTS OUT BIG BOND ISSUE

Issue is Taken by Ames, Wood, Gundy Syndicate and is Now Offered

An issue purchased a short time ago by A. E. Ames and Co. ad Wood, Gundy and Co. from the Hydro-Electric Power Commission of Ontario will be 5sh ..SHRDLUSHR tario is being offered now. The bonds, which are guaranteed by the province of Ontario, total $3,300,000 and are twenty year 6 per cent's.

The bonds are guaranteed by the province of Ontario and were purchased by private negotiation. The funds are required for the refunding of a $3,000,000 issue maturing on July 1.

GUARANTEE LOANS.

Manitoba takes steps to preserve Municpal Credit.

The financial position of several municipalities has resulted in the Provincial Government guaranteeing bank loans amounting to about $900,000. The loans have been guaranteed to the following municipalities: St. James', $300,000; Assiniboia, $315,000; Birtle, $167,000; Transcona, $100,000, and Woodlea, $10,000.

In making the guarantee to Transcona, Assiniboia and St. James', the Government sets forth its reasons as being to maintain the financial standing of the municipalities and to keep the Province, as a whole, in a sound financial position.

E.M. Wood, Deputy Municipal Commissioner, is supervising all expenditures of the municipalities.

FRASER BONDS.

MAINE, U.S.A.—Will you kindly write me your opinion in regard to the first mortgage (6 per cent.) of Fraser Companies Limited, due over a period of years up to 1928.

We think you need have no doubt as to the security ad generally desirable character of these bonds. This company, producing bleached sulphite and easy bleaching pulp, is considered one of the best managed of t he kind in Canada. Behind this issue of bonds, of which there are now only $2,250,000 outstanding, are assets conservatively estimated at $12,000,000, with two mills, one of 54,000 tons and the other of 18,000 tons per annum, while there are timber limits of nearly 3,000 square miles. The statment for 1920, it is understood ,iwll show profits of over $2,000,000, after a liberal allowance of over $1,000,000 for depreciation in the inventory. Even an issue of $2,000,000 of 8 per cent. general mortgage bonds that rank subsequent to the 6s we consider as a safe investment, with an ample margin of assets and of earnings over the interest requirements. The company's plants were closed down for some months eaflier this year but have resumed with a good volume of business.

GIVE CONTROL OF SCHOOLS TO CITY COUNCIL

Demand of Saskatchewan Union of Municipalities in Convention

BATTLEFORD'S CASE

Hon. George Langley Further Outlines Government's Policy On Defaults of Towns And Cities

PRINCE ALBERT—The Union of Saskatchewan Municipalities is determined to secure an equalization of the costs of school education, and following a lengthy discussion which featured their annual convention here put the matter of conferring with the provincial government for legislation that will give the municipalities a greater measure of control over school expenditures up to the new executive.

All the delegates were of the opinion that cities should have control over school expenditures. Representatives from North Battleford in a resolution pointed out that the financing of public schools in the cities of the province is "becoming increasing difficult,, and that the school expenditures over which the cities have no control placed the city councils in a difficult position. To solve this question they asked that the provincial government amend the existing laws so that control of all public and high schools in the cities of Saskatchewan be placed with the city councils, with the provision for the appointment of a board of education or an education commission er to administer the schools under the direction of the city council.

To equalize the burden of costs, a resolution which asks for the adoption of the principle of levying a substantial tax for the costs of primary and secondary education on a provincial or county basis "so that the burden of supplying education to all the children of the province will fall equally. on urban and rural centres," will be taken up with the executive.

Another resolution which was adopted, asked for legislation making it compulsory for children to maintain their indigent parents.

The Union looked over the draft constitution of the Western Union Municipalities, composed of representatives of all the western provinces and decided to join the new organization.

The Province and Defaults.

Hon. George Langley, Minister of Municipal Affairs in the Provincial Cabinet and the only Minister defeated in the recent provincial election, was the principal speaker at the convention. "That an insidious boycott against Saskatchewan has been promulgated amongst bond dealers and investors there was no doubt," Mr. Langley declared. He said that the provincial government at its next session was contemplating legislation "in regard to this," During his speech Mr. Langley touched on the question of defaulting municipalities. This had been a nightmare to him he said and he stated that in some cases citizens had not that sense of duty which their liabilities should have prompted. In this connection he instanced a case where a town had defaulted and yet had passed a resolution exempting a skating rink from taxation. This, he claimed, disclosed a serious state of the public mind in regard to its responsibilities towards those who had invested their money in good faith.

Referring to the suggestion that the limits of cities in Saskatchewan should be restricted, he said that the provincial government had always tried to put the brake on any extensions and he had been told that while his refusal to accede to extensions was economically sound, politically it was distastrous.

One of the reasons he gave why there might be antagonism towards Saskatchewan bonds was the fact that thousands and thousands of lots in which people in the Old Land had invested their savings had been confiscated.

He thought that if the provincial government ever admitted its responsibility in helping the defaulting municipalities in an invidious posieffect of putting the whole of the municipalities in an inridious position and even intensify the situation eventually..

NO AMUSEMENT TAX.

(From Our Own Correspondent)

MOOSE JAW.—Following the attempt of the Moose Jaw city council to levy an amusement tax, Judge Ouseley has quashed the by-law declaring that the provincial government did not provide the machinery for the collection of taxes,

American investors swindled to extent of $50,000,000 annually through promotion of fake film companies says Vigilance Committee of National Association of Motion Picture Industry.

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6% Bonds
Due 1947 to 1951.
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Buy bonds now on our partial payment plan.
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THE NATIONAL CITY COMPANY — NATIONAL CITY BANK BUILDING — NEW YORK
Conservatism
"Disposition and tendency to preserve what is established." Such is the Dictionary's definition.
Conservatism has played an immense part in the success of the National City Company. It is a child of our policy that every sale must make a friend.
This means that a security must first be safe—then, and not till then, as highly profitable as possible.
To this end, we established our investigation facilities, and today we enjoy the confidence of investors everywhere.
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Limited
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An Ideal Bond for the Wealthy Investor
Province of Quebec
Succession-Duty Free
Bonds
Tax-exempt under the Quebec Succession Duties Act.
By investing your fortune in these bonds you not only render it tax-free when transmitted by death, but you will also secure during the 15 years' term of the Bond's life, the exceptional yield of from 5.70% to 5.97%.
May we furnish detailed particulars.
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Industrial locations; real estate; mortgages; natural resources.
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We Specialize in Western Provincial, Municipal and School Bonds
Lougheed & Taylor, Limited
CALGARY, ALTA

CIVIC AND PROVINCIAL FINANCE

A Message To Canadians

A DUTY falls on manufacturers to produce articles of a quality and price that will compare favorably with foreign makes, and on our agricultural interests to increase production.

The Royal Bank of Canada

Total Resources - - - - $550,000,000
730 Branches

No. 2

Helping Humanity

BETWEEN the wheat on our prairies and the daily bread of the people of this country and of distant lands runs a long chain of operations, each link of which is strengthened by banking services.

For 55 years this Bank has been privileged to furnish a substantial part of the financial energy necessary in the growth, transportation and marketing of Canada's vast crops.

463

UNION BANK OF CANADA

Established 1909

MEMBER

McDONALD DETECTIVE AGENCY, LIMITED

Operating Under Dominion Charter

POLICE

C. A. McDONALD, President and General Manager.

Offices: TORONTO 217-18-19 McLelland Bldg. WINNIPEG 302-3-4-5 Birks Bldg. CALGARY 701-2 Herald Bldg. VANCOUVER 928-9 Birks Bldg

This Agency is prepared to undertake all proper Detective business. Civil and Criminal, entrusted to it by Railway and other Corporations, Banks, Mercantile Houses, Insurance Companies, Lawyers and Private Individuals. Our staff consists of trained investigators of various Nationalities suitable for all lines of work. Consultations strictly confidential. Representatives in all principal Cities throughout the United States, Great Britain and France.

Parker Motor Car Company, Limited

formed for the purpose of manufacturing

THE CANADIAN-MADE

PARKER AUTOMOBILES

and

PARKER MOTOR TRUCKS

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President— Sir Alexander Bertram, Montreal. Pres. John Bertram & Sons Co. Limited.
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2nd Vice-Pres.—H. A. Bertram, Montreal, Sec'y-Treasurer Canadian Die Casting Co., Limited.
Sec'y-Treas.— Kenneth F. Dewar. Industrial Counsel lor, Montreal.

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Frank W. Ross, Quebec. Director N.S. Steel & Coal Co. Director, Montreal Trust Co.
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JAMES C. CRAIG & CO., LIMITED

Investment Bankers.

Bank of Nova Scotia Building 263 St. James Street, Montreal.

CANADIAN COTTONS LIMITED

Notice is hereby given that a quarterly dividend of one and a half per cent. (1½ per cent.) has been declared on the Preferred Shares of this Company, payable the 4th day of July to Shareholders of record the 24th June.

Also that a quarterly dividend of two per cent. (2 per cent.) has been declared on the Common Shares of this Company, payable the 4th day of July to Shareholders of record the 24th June.

By order of the Board.

A. BRUCE,
Secretary-Treasurer.

Montreal, June 17th, 1921.

DOMINION FINANCE GUARANTY CORPORATION, LIMITED

Dividend Notice.

NOTICE IS HEREBY GIVEN that a dividend at the rate of seven per cent. per annum has been declared on the paid up preference stock of this Corporation for the period cumulative from the date of issue to the 30th day of June, 1921, and that the same will be payable on and aftes Saturday, the 2nd day of July, 1921.

The transfer books of the Corporation will be closed from the 23rd day of June, 1921, to the 30th day of June 1921, both days inclusive

By order of the Board of Directors.

F. H. FARLOW,
Secretary.

Toronto, June 21, 1921.

The London and Canadian Loan and Agency Company, Limited

NOTICE is hereby given that a Special General Meeting of the Shareholders of The London and Canadian Loan and Agency Company Limited, will be held at the Office of the Company, 51 Yonge Street, Toronto, Ontario, Canada, on Tuesday the sixteenth day of August, 1921, at twelve o'clock noon for the purpose of considering, and, if approved, sanctioning and confirming an Agreement dated the seventh day of June 1921, providing for the purchase of the assets of The London and Canadian Loan and Agency Company, Limited, by the Canada Permanent Mortgage Corporation upon the terms set out in said Agreement, a copy of which has been mailed to each Shareholder.

DATED at Toronto this seventh day of June, A. D., 1921.

W. C. Noxon,
Managing Director.

CANADIAN WOLLENS, LIMITED

PREFERRED SHARES
DIVIDEND NO. 8.

Notice is hereby given that a dividend of 1¾% has been declared on the Prefereed stock of the Company for the quarter ending the 30th day of June, 1921, payable on the first day of July, 1921, to shareholders of record at the close of business, Tuesday, June 28th, 1921,

By order of the Board.

WILLIAM TINKER,
Sec.-Treasurer.

Peterboro, Ontario, June 21st, 1921.

HALIFAX DOES NOT DESIRE TO MARKET POWER

City Will Not Distribute Energy Manufactured by the Government

FEAR MONETARY LOSSES

Council Has Had Experience With Public Ownership Inefficiency and Would Rather Depend on Private Corporation

(From our own Correspondent)

HALIFAX.—It would be difficult to imagine a stranger situation than that which now exists in regard to the problem of hydro-electric energy for this city. The Nova Scotia government took power to expropriate all water sources in the province and appointed a Commission to develop these as they saw fit, for the benefit of the public. The work was begun with the development of the sources at St. Margaret's Bay, eighteen miles from Halifax. The sole or chief reason for this first venture was to help out Halifax, which had always complained of lack of economical power, having to depend entirely on steam. The Nova Scotia Power Commission was named and took hold of the problem. The commissioners spent at least $1,800,000 on the development now about complete in it first unit, and on August 1st, expect to have current on the outskirts of the city. It had always been thought that the city would be the purchaser, and as already remarked, it was for its especial benefit, the work was undertaken.

Now the situation is that the city declines to have anything to do with the proposition. It can have 20,000,000 K. W. hours of power for the lump sum of $200,000, but the city council, by a large majority, says in effect, "deal with the Nova Scotia Tramways Company, we are not prepared to negotiate for the power." The Halifax board of trade also is against the city having anything to do with the enterprise and suggests that the commission negotiate with the Tramways Company. The city has let all the time pass since development began and did nothing to be ready for the emergency that has now arisen. They have no means of handling the current nor of passing it down to private consumers, supposing they took it over. So the aldermen had to vote that the Power Commission negotiate with the Tramways Company. This they did after declining to call in expert advice from abroad. They were tired of "advice." Seeing that the idea was formulated and the development carried out largely that Halifax might specially benefit, it looks not unlike a fiasco.

The Company's Position.

It would be such if the Tramways company should turn round and say that it would prefer to keep on with the steam it is now using. It will be a question of terms. Possibly these will not be found feasible. It is within the realm of reason that the Tramways company may not desire to sign any contract that would bind it down. The cost of 20,000,000 k. w. h., delivered at the outskirts of the city from the power commission would be about $200,000 per year or half the initial cost of the energy from steam, but there may be demands and restrictions that the company would not like to undertake.

The Tramways company has not made any money for the shareholders for two or three years now, and indeed is operating at an actual loss. The directors have more than once openly said that they are willing to sell out to the city at an appraisement and cut clear of the whole business. But the city is afraid of the venture and with taxation rising fast, as it is, is in no mood to consider any big venture like a purchase of the Tramway's Co. Were they to enter into competition, the company's state would be still worse, and the city would find itself in a position where the taking over of the enterprise would be practically obligatory. In that case the outcome might be disastrous to the city. It is a contingency like this that scares the public and prevents the aldermen from contemplating a commitment which would mean millions with no return. There is not much confidence in Halifax in the efficacy of municipal ownership and operation. What has been done by the city council in the past in this respect does not give confidence that things would be better with a still greater undertaking on hand. So here the people find themselves with a big power proposition which now they say they do not want. It is a strange situation, there is no doubt about that. Probably no other similar condition can be found in this country.

Round Table Conference.

After voting to have nothing to do with either an investigation, or to have anything at all to do with the matter further, beyond suggesting that the Tramways company be given a chance, the city council passed a resolution to hold a round table conference with the Tramways company, the board of trade and themselves, to see what details could be arranged in the interests of all concerned. It may be that something will come out of this but it will not be a decision for the city to take hold of the undertaking. The contract with whoever takes over the power is to be for a period of thirty years.

Men in Municipal Finance in Canada

DAVID MITCHELL.

City Comptroller of Edmonton.

One of the best things that can be said about Dave Mitchell is that he was once a colleague of A. N. Mouat, now comptroller general of British Columbia. Not that Mitchell is so devoid of original ideas that he must shine in the glory reflected from anybody else; it was the Mouat-Mitchell combination of accounting ingenuity that devised the system of auditing the civic disbursements that has proven just about hole-proof and from which grew the larger and more important system of public accounting and recording that Mouat installed in British Columbia.

They are both Scotchmen; possibly that is why they made such good comptrollers, for the Scotchmen is at least alleged to have the sense of thrift.

Mitchell has been in civic affairs in Western Canada for a long time. For nine years he was general factorum of Stettler and before he had been in charge of the affairs of Innisfail. In 1915 he was appointed assistant comptroller under A. N. Mouat in Edmonton, and when Mouat went to B. C. in 1917, Mitchell was promoted to his former post.

Mitchell supervises the expenditures of Edmonton so carefully that not a dollar is paid out by the city unless he knows who authorized the expenditure, that it is perfectly legitimate and that the item is charged to the proper account. It is an unique system of civic accounting but Mitchell is unique himself.

TENDERS WANTED.

July 8, Renfrew.—$7,764, 5 per cent., 22 and 30 year debentures. J. A. Devenny, clerk-Treasurer, Renfrew (See announcement elsewhere in debentures.

June 27, Montreal East Que.,.—$100,000, 6 per cent. 20 year debentures. J. E. Coderre, Sec-Treas.

July 4, Fort Francis, Ont.—$102,975, 6 per cent., 5, 15, and 20-year, debentures. ffl ffl ffl ffl

July 9, Twp., of Teck.—$150,000, **6 per cent. 15-instal debentures, Mal-** 6 per cent. 15-instal debentures, Malcolm Campbell, Treasurer, Township of Teck, Kirkland Lake Ont.

BY-LAWS TO BE VOTED ON

June 25, Oshawa.—$40,000 for street improvement and concrete bridge; 29; $29,000 for waterworks extension.

July 2, Fort Francis.—$150,000 for building High School purposes.

SASKATCHEWAN.

A list of authorizations granted by the local Government Board from the 4th of June to 11th June.

SCHOOL DISTRICTS.—Coleville, $13,000. Cromwell, $41,000. Pelican Lake, $4,000. Grayburn, $5,000. Clear Valley, $3,000. McGillivray, $1000.

RURAL TELEPHONE.—Shaunavon, Southern $5,550. Cedoux, $1,300.

TOWNS.—Qu'Appelle, $3,500.

..CITIES. — Saskatoon, $17.081 Moose Jaw, $7,700.

VILLAGES.—Bateman, $1,500. Arran, $2,000.

A list of Debentures reported sold from June 4th to June 11th, 1921

SCHOOL . DISTRICTS.—**Altona**, No. 850, $1,200.00, 10 yrs. 7 per cent., Pub. School Sink Fund. Bern, No. 3771, $4,200.00, 10 yrs. 8 per cent., Waterman-Waterbury Mfg. Langenburg, No. 105, $27,000.00 20 yrs. 8 per cent., C. C. Cross & Co., Regina. Free Soil, No. 1957, $15,000.00, 15 yrs. 8 per cent, Nay & James, Regina, Beaverside, No. 1603, $500.00, 5 yrs. 8 per cent C. C. Cross & Co., Regina. Kingslyn, No. 1851, $3,800.00, 10 yrs. 8 per cent., Waterman-Waterbury Mfg., Regina. Rosewood, No. 201, $7,000.00, 20 yrs. 7½ per cent., Saskatoon Sink. Fund. Froude, No. 1896, $1,500.00 10 yrs. 8 per cent. Weyburn Security Bank, Kimball, No. 1508, $1.000,00, 7 yrs. 8 per cent. Mrs. E. Clark Shaunavon.

VILLAGE.—Bulyea, $500.00, 10 yrs. 8 per cent., F. Blinklow, Qu'Appelle,

ASK ASSISTANCE OF THE PROVINCES

That is Purport of Municipal Report to Bond Dealers' Association

Reporting to the Bond Dealers' Convention for the Committee on Municipal Administration and Finance, W. L. McKinnon declared that "the situation of the municipalities in Canada, as a whole, is thoroughly satisfactory." As a result of a recent survey he had found that in 60 cities average assessment was $1,054 per capita, as compared with a standard of $1,000; in 380 towns, $553 per capita, compared with $750, and in 619 villages, $502 per capita, compared with $500. Average total debt in 60 cities was $184 per capita, compared with a standard of $200; in 380 towns, $76 per capita, against $150, and in 619 villages, $32, against $100. A few years ago assessment of western cities was greatly inflated, but is now more nearl normal. Deflation of debts, however, could not be so quickly accomplished. East of Great Lakes, debts and assessments showed healthy average.

Most of the provinces had given some measure of assistance to their municipalities in difficulties, with exception of Saskatchewan. It was necessary, in his opinion, that various provinces give assistance if credit of the municipalities was to be restored and confidence of investors retained. He suggested that whenever a municipality was in financial difficulty, the provincial government interested should take care of that portion of the debt which was beyond the power of the municipality to carry. Also that the Government should insist that each defaulting municipality raise over and above taxes needed for current expenses a debenture tax of at least 14½ mills to meet interest and principal payments.

PROVIDING SCHOOLS IS A BIG PROBLEM

Local Government Board of Saskatchewan Explains Its Policies to the Public.

(From our own Correspondent)

REGINA.— The Local Government Board's side of the controversy over the defaulting town of Humboldt, Saskatchewan, was voiced here by J. N. Bayne, one of the Board's commissioners. Mr. Bayne, referring to the proposals of representatives of the bondholders urging that the losing utilities of Humboldt be closed down, declared that if the waterworks and the electric light plants were closed the people would have to return to primitive conditions and would leave the town.

The Commissioner defended the action of the Local Government Board in permitting monies collected by the municipality to be expended in the improving of the utilities in such shape that there would be some chance of making them pay and thus enhancing the town's opportunities for meeting its indebtedness.

The Board, said Mr. Bayne in this connection, took much the same attitude that a Loan Company would take towards a defaulting debtor. If the debtor was hampered in his farming operations and was not able to make his interest payments on account of insufficient power to secure the best returns for his labor, a good company would make him a further advance to enable him to buy another team of horses. This was exactly the view the Local Government Board took of the situation at Humboldt.

Turning to the question of taxation, Mr. Bayne declared there is too great a tendency to load on to small centres the burden of educating a large surrounding community and to overcome this tendency it will be necessary to broaden the basis of taxation. Mr. Bayne declared that the Local Government Board had no intention of hampering the progress of education by refusing sanction for the construction of necessary school buildings, but at the same time municipal expenditures in Saskatchewan were being carefully sifted out and authorization given only where construction proved to be necessary. The provision of school accommodation under existing costs was referred to as one of the greatest problems the Board had to face this year.

POST

Wage reduction of 11.7 per cent. for employes of New York State Railways in Rochester Syracuse and Utica decreed by board of arbitration

Popular Bank, founded in Chile in 1887, closed with liabilities of 10,000,000 pesos result of industrial conditions.

BOND MOVEMENTS OF THE WEEK

BONDS	Int. Rate	Due Year	Yield	Range 1921 High	Range 1921 Low	Latest Price Week end, June 21 Ask	Bid	High	Low	Sales
Asbestos	5	1942	6.88	80	77		79	79		$ 2,000
Can. Cottons	5	1940	6.98	79	78		79	79		500
Can. Cement	6	1929	7.19	94	91½	92½	92	92½		1,000
Dom. Coal	5	1940	5.86	90	86		90	90		5,000
Dom. Cotton	6	1922	7.76	98¼	96		97¾	97½		500
Dom. Textile (B)	6	1925	7.05	98	92	96	95	96		1,000
Nat. Breweries	6	1939	6.86	92⅞	90		92	91		1,000
Price Bros.	5	1940	6.67	84	78	82		82		440
Quebec Rly.	5	1939	8.92	68	59	62		62½	62	26,600
Sao Paulo	5	1929	8.65	82	70	78		77		2,000
Wayagamack	6	1951	8.20	87¼	75	75		75		4,000
Winnipeg, Elec.	5	1927	9.20	82 [illegible]	79	79		79		1,000
War Loan (1925)	5	1925	6.28	95.75	92.00	95.10	95.00	95.00	94.75	41,000
Do., (1931)	5	1931	5.90	95.25	90.75	93.10	93.00	93.10	92.65	36,700
Do., (1937)	5	1937	5.27	98.50	94.50	97.25	97.05	97.35	96.50	106,300
Victory (1922)	5½	1922	6.06	99.50	96.62	99.40	99.20	99.45	98.90	320,050
Do., (1923)	5½	1923	6.37	99.00	95.50	98.20	98.00	98.60	98.00	275,000
Do., (1924)	5½	1924	6.75	98.50	94.25	96.60	96.30	96.70	96.15	72,000
Do., (1927)	5½	1927	6.00	99.12	95.25	97.50	97.00	98.40	97.35	49,850
Do., (1933)	5½	1933	5.85	99.00	95.12	96.90	96.50	97.70	96.80	501,450
Do., (1934)	5½	1934	6.17	96.12	92.25	93.90	93.75	95.25	93.90	782,000
Do., (1937)	5½	1937	5.59	100.50	96.50	99.00	98.90	99.65	99.00	370,900

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Due June 24th, 1941
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THCo

Why Bonds are Cheap at Present

Good bonds are cheap at present because money is scarce, so that those who desire to change their securities into cash, are forced to offer them down in order to make them attractive to prospective purchasers with funds available for investment.

Money is not allways worth the same price.

To-day it is scarce and expensive, and those who have a surplus should avail themselves of the opportunity to secure high grade, matured securities at prices that cannot possibly prevail when general business conditions work back to normal and money becomes cheaper.

We have good bonds on our list yielding a net return of from 6% to 10.15%.

20% cash and 10% monthly if desired.

Truax, Higgins Co.

Investment Bankers

17 St. John St. Main 3618
Montreal

TOWN OF RENRFEW

Debentures for Sale

$7,764.00 DEBENTURES FOR SALE AS FOLLOWS:

$5,764.00 5 p. c. 30 years installment plan, authorized as follows..o;¼m..6.. .. ... authorized under By-law 905.

$2,000.00 5 p.c. 22 2years installment plan, authorized under By-law 994.

$7,764.00 5 p.c. Bonds to date from May 10th, authorized by an act of the Legislature, Chapter 118 of 3-4 Geo. V. Ontario Statutes.

Bonds payable in yearly installments of Principal and Interest with coupons attached.

Assessable property for taxation		$3,357,369
Debenture debt, including local improvements		$725,017.29
Less revenue producers		
Local improvement, (owner's share)	$ 77,201.57	
Waterworks	77,308.67	
Power development	228,678.71	
Commercial light	110,387.40	
	$493,666.35	$493,666.35
Net debenture debt		$231,350.94
Value of municipal assets		$1,114,094.98

Tax rate: Gen. rate, 29.8 mills; Schools, 14.2. Total 44 mills.

Current revenue (including dedebentures $448,081.57

Expenditure (including capital account) $369,422.64

Population, 5,600

Sealed Tenders for the purchase of the above bonds with accrued interest will be received up to Friday, July 8th, at 6 o'clock, P. M., by the undersigned. Would prefer bids separate on 5 p.c. and 6½ p.c. issues.

J. A. DEVENNY,
Clerk-Treas.
Town of Renfrew.

McAra Bros. & Wallace

Financial, Insurance and Investment Agents.

1855 Scarth Street, REGINA

The Trustees of Pinehurst S. D. No. 4360, of Saskatchewan, invite tenders for their School District Debentures, Three Thousand Dollars, bearing eight per cent. Repayable in ten yearly consecutive instalments of Principal with Interest.

W. Atkinson, Sec.-Treas.,
Whitefox, Sask.

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WOODSTOCK, June 24, 1921.

WHEN THE LABOR LEADER BECOMES A CAPITALIST.

The average professional labor leader would resent the charge that he is a capitalist. And yet he gets a salary which puts him out of the category of laborer, apart altogether from the fact that he does not do anything in that class.

Recently an increase in salary voted Warren Stone at the triennial convention of the Brotherhood of Locomotive Engineers, in Cleveland, makes him the highest paid labor official in the world. He is to receive $25,000 a year and the grand chief engineer of the brotherhood. Mr. Stone began life as a fireman on the Burlington line, but like so many other successful labor leaders, he has ceased to labor, to better lead. In fact he has become president of a bank—a labor bank. He is head of the Locomitive Engineers' Co-operative National Bank and his princely salary is paid him partly for his work as a banker.

There can be no particular objection to a union organizing a bank—or to Mr. Stone becoming the head of it—so long as the laws of good banking and of sound finance as well as those of the nation, are observed without undue discrimination against the public interest. But it may not be amiss to point out that Mr. Stone has long graduated into the class of capitalists, and is probably a "bloated bondholder" as well. Further, practically every locomotive engineer, every fireman, conductor or brakeman, like the workers in other highly paid industries, has had an opportunity to save money during the years of fat wages and by investing his savings, join the ranks of the capitalists.

As the American Banker points out, the late war performed many social miracles. It made paupers of princes and counts, exiles of kaisers and kings. But not least of its achievements is its conversion of capitalists into laborers and laborers into capitalists.

THE AGE OF USEFULNESS.

The proposal to retire employees of the Post Office Department at the age of sixty-five is being met with the statement that there are two members of the cabinet who have passed this mile-stone in their lives. The contention is that if an employeee of the post office becomes inefficient at a certain age, a cabinet minister becomes equally so. Few people will be misled by any such theory. The cases are altogether different.

A man in high public office serves through that executive ability and wise counsel which can only come through long experience. He has acquired the mature judgment born of qualities which have meant outstanding success at an earlie r age, in the business, financial or professional field. On the other hand, to retire the average man who has not made a success in the civil service at 65, and has not been able—perhaps through lack of ability rather than lack of application—to rise to a position of responsibility where his advice and judgment are of value, is entirely another matter.

Take the two cabinet members who have been mentioned—Hon. C. J. Doherty and Sir George Foster. Mr. Doherty, because of his long experience in matters of state and his sane judgment, was one of the outstanding figures at the Peace Conference. Sir George is one of the most brilliant orators and satesmen in Canada, and the fact that he is not filling a place in the government, where he would be much more useful than in the one he occupies, can be blamed upon the system of cabinet appointment in vogue in this country, which does not encourage the selection of men of experience and proven ability to deal with matters which should be in the hands of experts.

Both Sir George and the Hon. C. J. are men who should long continue to render valuable service to Canada; may they be spared to that end.

TAKING ADVANTAGE OF CIVIC LOYALTY.

The sale of municipal bonds direct to citizens, is in principle in the best interests of the municipalities, and in practice this method of disposing of debentures has been tried out with very great success in dozens of Canadian communities. But when an appeal is made to local pride to accept bonds at prices that could not be realized through ordinary channels, it may be both unfair to local investors and conducive to poor civic finance.

One Canadian town treasurer writes to the FINANCIAL POST in answer to an inquiry:

> "Owing to the unfavorable condition of this town's finances the council is unwilling to have me furnish information as to its standing.
>
> "We find no difficulty in disposing of our debentures to local buyers and have recently disposed of an issue, which was readily taken up."

In such a case as this, placing the bonds of the town in the hands of local people will undoubtedly stimulate a healthy interest in civic financial affairs. But there are two distinctly unfavorable features to the situation. The bonds in this instance were sold to local investors at a price above their real market value, taking into consideration that the town's finances were involved to some extent. In other words, the local investors were not given a square deal, because they did not receive the greatest possible value for their money and because money borrowed too easily or too cheaply is undoubtedly on incentive to spending. What is required of a town in poor financial condition is absolute economy and the deferment of all possible expenditures.

The sale of municipal debentures "at home" is to be encouraged but only when they are offered at their fair market value and certainly not when they are offered locally because their element of risk makes them unsuitable to the investor outside.

PAYING GUESTS ARE PROFITABLE.

Vancouver has not only discovred that paying guests are profitable, but that it pays to invest something in telling prospective guests of the city's attractions. Advertising in American papers has been found tremendously successful in bringing visitors to the city and time has proved that these visitors leave large sums of money in the pockets of the merchants as well, as paying substantially to the railroads, hotels, garages, gasoline stations, etc.

The publicity work of Vancouver has been brought down to a scientific basis. Results are watched just as closely as they would be in any department store. J. Reg. Davison, publicity commissioner, recently explained to The Financial Post that, for instance, several days before any American holiday, the city carries advertisements in all the leading daily papers on the American Pacific coast, asking motorists to spend the day in Vancouver. The results from this advertising have been tabulated and in every case the holiday automobile traffic has considerably increased and Vancouver merchants have noted that business has been brisker. All advertising is conducted for direct results—and the city gets them. Over 250,000 autos passed through Baline, Washington, to Vancouver, last year.

What is being done by Vancouver for the benefit of the district might easily be done by Ottawa for the whole Dominion. Mr. Davison believes that half a million a year might be spent to good effect in this kind of publicity and that incidentally the National Railways would reap a material benefit. The Financial Post believes that the suggestion might well be considered. Canada should not only welcome the American tourist but should tell him why he should come here. Good hotels are another important factor. Their location should be made known as well as information regarding good motoring highways, etc. Something is being done in Quebec in this direction, and, as already emphasized in these columns, the results are more than encouraging.

PRIVATE OWNERSHIP AND EFFICIENCY.

Sir Adam Beck saw something of public ownership in France. The French are a more efficient, painstaking people than we are in Canada and give a much better service than can we Canadians. Does Sir Adam want to impose upon Canada the same kind of service Public Ownership has given to France, Spain and Great Britain, in railways, telegraphs and telephones?

Before embarking on further public awnership programmes, a commission should take the evidence of representative Canadians, including Sir Adam Beck, who have experienced these services in Europe. Private ownership in Canada is a heaven to Europeans, and public ownership in Europe is hell for Canadians accustomed to the efficiency of private ownership in Canada. In France telephone users find it quicker to send a note by messenger than to use the telephone in many places. Canadians took three to seven hours in France on several occasions to get a message to a town 30 miles away. The telegraph is worse. A message between places like Montreal and Toronto often takes two or three days, unless one puts on word "urgent," and pays three times the regular tariff when it is possible to get a message through in a day. It takes longer to get a press telegram from Paris to the cable office than across the ocean and then over the continent to San Francisco.

Sir Adam no doubt motored over to San Sebastian, Spain, near where he was. Perhaps when he was there he decided to visit Madrid, several hundred miles away. He would want the Ritz Hotel there to reserve a nice suite of rooms for him. But would he patronize the public ownership telegraph wires? Not if he asked any Spanish business man. He would use the privately-owned elephone, which would cost less and save 12 to owned telephone, which would cost less and save 12 to

GUARDING CUSTOMERS FROM BUYING.

The narrow-guage methods practiced by a few manufacturers were never in greater danger of reacting to their injury than at the present time. These manufacturers are aware that the general tendency of the commodity markets is downwards, and yet they allow their salesmen to load up certain over optimistic dealers with the higher priced goods of to-day that in all likelihood will lie unsold on his shelves for months to come. Not only will they fail to sell this customer any more than the single order if he cannot sell his stocks in the face of competitors who are working on lower priced lines, but the customer, faced with no sales, or clearing out what he has on hand, at a loss, will learn to curse the manufacturer who either fooled him into loading up "with malice aforethought," in order to unload himself, or thoughtlessly failed to save him from his own over-confidence in the buoyant powers of the market in that special commodity.

In this week's issue the story is told of a Montreal manufacturing firm who with eyes wide open, actually tell their customers that they think certain lines they are turning out, are going down soon, and warn them against buying heavily. They even refuse orders for carload lots where they think their customers would be well advised to take a few barrels or rolls instead, and purchase on a hand-to-mouth basis.

This conscientious method of dealing with the trade is practiced by many manufacturers and wholesalers in Canada, but there are many others who are so eager for the immediate present that they fail to realize that the fairest treatment of their customers is really the most profitable to them as well in the long run.

EDITOIAL NOTES.

THE ONTARIO Hydro Electric Commission is making a general reduction in wages of fifteen to thirty per cent. on the development works at Cameron Falls on the Nipigon River.

HON. MR. DRURY, Premier of Ontario, thinks the forests should yield an annual crop just as the farms do and business men generally will agree with him. Japan is planting over 300,000 acres of forest each year.

Plans for the purchase of a local bank to be operated and controlled by the labor unions of Omaha, assisted by the farmers' union of the state, now are being made, according to John M. Gibb, secretary of the Omaha building trades council.

LENIN has decided that it is capital that Russia needs for development, after all. But capital cannot be had for the asking. Confidence is the big factor in the placing of investments. Russia will not get capital until investors are assured of fair treatment. As Lenin abolished capital from Russia, capital is not likely to return until Russia abolishes Lenin. Siberia may have its uses afterall.

Looking Ahead in the Business World

Lt.-Col. John Bayne Maclean.

We can find nothing in the Canadian situation that should cause pessimism, but there is much reason for extreme care for the present, combined with good hope for the future. There is no strong reason in sight for the opinion so freely expressed, that the worst is over, and that we are now on the up grade of business improvement. We have a long way to go yet in Canada in liquidation, that is, in a clearing out of high-priced merchandise, in lowering wages and cost of doing business, and procuring a larger output per unit or man, and particularly in getting lower transportation costs, before we bring Canadian selling prices to the basis on which the world can afford to buy, for some time to come. Sam Gompers is clear on the lower wages question. In his recent pronouncement he demanded the continuance of the present **standard** of wages, not the present wages, which he knows cannot be maintained when other costs go down.

Well established businesses, efficiently conducted that have avoided over-expansion, will come through the critical period all right and help Canada to hold domestic and to regain and develop foreign trade, on which our future depends so much.

They will pick up the business the weaker concerns are unable to serve

It is a very important, very interesting and not generally recognized fact that the beginnings of a number of our oldest and most substantial Canadian concerns were established during the most trying panics, particularly 1853, 1873, 1893 and lesser depressions—in which times they laid the foundations for future success. When other concerns were going to the wall, they, by harder work, longer hours and the more intensive study of their production problems and selling markets, built efficient organizations, added to their list of customers from among the best clients of their weak competitors, and made money. This is the time, therefore, to keep to the well-tried methods that have proved successful in past crises.

But there are trying times ahead for badly conducted, under-capitalized concerns, and hardship and suffering for inefficient workers. They will not, and cannot stand up under the keen competition for business and jobs.

We must expect not a few failures; there are going to be fewer concerns and they must work harder to sell their products; but, owing to the splendid co-operation of the chartered banks, failures will be far less numerous than in like times in the past. Never before has our banking system proved itself so helpful to Canadian industry nor have our bankers shown so broad a grasp of industrial problems. The last few years have also developed a higher type of branch banker. He is expected to be a good business man himself, and he can always increase his capacity by appealing to experts at the head offices, who, in turn, have the most experienced men in the country on their directorates or at hand. In short, the branch bank manager, once the social, has now become, or should be, the business leader of his community.

Leave the Reserves Alone.

Formerly when a business man or farmer had a temporary difficulty in meeting payments, the tendency of the average manager was to throw him into insolvency. The modern manager makes every effort to help him with advice, extension of credit and, if necessary, with more money. It is only when he shows real incapacity that he is forced into bankruptcy and that in consequence of his incapacity. In this way modern Canadian banking will help many a business to carry on and maintain its good workers through depressions. But unfortunately Canadian business now and in the future is going to be more seriously handicapped by the vicious policy, inspired by self-seeking agitators, of taxing unduly the surplus earnings of industry, instead of, in a young country like Canada, leaving them sufficient reserves to carry the concerns and their workers through the lean years. In Canada, industrial capital consists almost entirely of the surplus earnings of the Canadian people and not, as in old countries, of inherited investments and the income thereof. Even so wise and courageous a man as the Premier, Mr. Meighen, boasted the other day in New Brunswick that Capital was more highly taxed in Canada than in any other country, and his propagandists spread it broadcast to increase his own and his party's popularity, although it would only do so with the thoughtless. He might have qualified it, and done hs country and himself a great service by expressing regret that this was the case and adding something like this: "Present conditions show me that we have been unjust to industry. We should have left much of that money with the concerns which made it, to enable them to carry their workers, their industries, and their investors through the reconstruction period." Notwithstanding all that may be said, I cannot think of one executive who would not, if he could, carry all his good employees through bad periods. But many of them cannot do so, and continue in business.

"How far must prices of commodities and salaries and the wages of labor go before liquidation is completed?" is the question we are most frequently asked. General opinion is that we will never again get to the basis of 1913-14, but is it not a fact that when the war came we had reached a high point in prosperity and costs, and were about to enter a period of depression and declining prices? We who are in close touch with most industries from the Atlantic to the Pacific, certainly found a marked decline in trade in late 1913. Many of the younger generation of financiers and business men think that prices and labor will not again fall as low as in 1913-14 because of the heavy war costs we must carry. But the older industrial leaders here and abroad, think we will go below 1914. They all admit that the pre-war gold standard will not come back for many many years, and that some industries and groups of workers may by combination withstand for a time the decline, but they will eventually have to face the facts and will find themselves in a worse position than if they had shown more wisdom at the outset. Great Britain might perhaps resume the gold standard at an early date if there were any assurance that the gold she shipped out thereunder would come back in the normal course of international trade, but many countries will keep for a long time all they can get, and that will materially hinder the British resumption of gold payments.

Based on some Canadian records for a number of similar periods as far back as 1853, prices will go below 1914. In two periods we find wages of unskilled labor dropped to about one-third of the maximum of boom times. Lumbering, our oldest great industry, shows that wages rose to $30 a month with board in an expansion period, but within a year and a half the men went into the woods at $8; and cost of living came down to the same equivalent. There was no suffering, but more hard work, because the men, thinking for themselves, instead of resisting by refusing to work for lower wages, accepted the then world conditions.

Many Heavy Declines Recorded.

In the cost of living, the latest figures in the United States indicate what is coming. There price movements are generally a few months to a year in advance of Canada. On April 1 the U. S. index figure of the prices of farm products was 58.3 per cent lower than a year ago, 48.6 per cent lower than two years ago, and 27.6 per cent. lower than the average on April 1 of the past ten years. There have been heavy declines in other raw materials, or more properly other primary products, but manufactured products, especially at retail, have not yet declined to the same extent. Excessive freight charges have much to do with these. Major-General MacRae gave me an example the other day of a car of grain on which the freight alone to the eastern Canada consumer was over twice what the farmer received for it. Agricultural products and raw materials represent the purchasing power of one-half the population, as a New York banker recently pointed out. When this situation becomes generally understood, pressure from agriculturists and organized labor will become so great that transportation, and therefore living costs, will come down much further.

So far Germany and Japan appear to be the only countries that have got back to pre-war conditions in a way that would give us any indication of what may come here and elsewhere throughout the world. In Germany unskilled wages are now about 8c per hour as compared with 24c, our money, in 1914. There, they have now no unemployment as we have it here. Workers live better than before the war excepting in the occupied areas where German officialdom puts up a camouflage of poverty in the presence of the Allies and other foreigners. Even in bread, theirs is a beautiful white, while France, when I left, still had the black war variety. The only scarcity in Germany seems to be in milk and butter, and there is suffering among the children who are coming into the world in great numbers. So sound is Germany's position today, according to an Englishman who occupies a very high official position, that he would prefer German to any allied bonds. He based his opinion on the unsettled political and industrial conditions in France and Great Britain. Of course German defeat was a great spur to speedy reconstruction.

The next important question constantly asked is: "How long may we expect this period of depression to continue?" The answer: Until costs reach bottom. When that will be is a guessing contest, for present conditions are so entirely different from anything of which we have any experience or records. Apart from an unusual and more generally devastating war we have now great organizations of business and labor putting up an organized resistance to the inevitable lowering of prices, profits and wages. Back of many labor organizations, inspiring them, known only to a few members, is the hidden hand of German propaganda. Apart from these, based on experience, we should now be aproaching the bottom, and another year or so should see the turn of the tide.

In Canada at present we have our eyes on three great factors, transportation costs, building costs and crops.

Next Winter May Be Severe Test.

Many costs are coming down, but it is questionable if they are coming quickly enough to have any material effect on this year's business—whether it may not be necessary to go through another very severe winter before we all realize that this is not a new world and that the war must be paid for by more production at lower costs; that buyers at home and abroad will keep their money until prices of necessities are more reasonable.

Transportation costs cannot come down for some time, and they are a very great factor in delaying readjustments in the building trades and in living costs. Great hopes were laid last winter and this spring on a revival in building which would have given a splendid impetus to all Canada, and helped carry us through the coming winter. Millions of money were available for homes and improvements among persons who had saved for the purpose. The country never had so much money in the aggregate, and certainly never had so much money to spend on building. The money is not in the hands of the few, but of the many. But supply houses, contractors and their workers made a fatal miscalculation of public sentiment and business outlook. They held out for maximum prices for material and labor and for war-time profits. The investors, refusing to be held up, abandoned the building plans and put their money in bonds and other such securities. Instead of having this spring, as was anticipated, the greatest building boom we have ever had, it fell to less than two-thirds of last year. Contracts let in Canada to March 31, were only $37,000,000 against $56,000,000 a year ago. Recently there has been a marked drop in tenders quoted by some contractors. This is due chiefly to labor costs where workers, breaking away from union control, are seeking employment much below the scale, and in some cases, records of which I have seen, are doubling the output. But it is now too late to correct the mistake, for extensive new work will not be undertaken this year and many plants will never be gone on with. The optimistic stories of the sudden great revival published by some newspapers have no foundation, and are very harmful. The wiser men in business and labor saw this situation coming last year and proposed a getting together—in fact did get together in a couple of private conferences—to reduce costs, but were overawed by professional agitators in the unions, and a lack of big leadership in business circles. The outlook as late as December last was most promising, when certain sane labor leaders privately offered to bring about a general reduction of wages if manufacturers, dealers, the national Government, and others would co-operate. This splendid scheme fell through mainly because of two great weaknesses in our industrial situation. That fine old organization, the Canadian Manufacturers' Association, has been neglected by the able, far-seeing, broad-minded men in its membership, with the usual result. Its big problems never get to them, and great opportunities are not grased by the lesser minds. Its executive direction is left to clerks, without successful manufacturing or business experience, with the result that the views of the Association now fail to command the respect they did in the days when the men at the head of our greatest industries directed its affairs. You cannot get the fifty thousand a year executive's leadership from a twenty-five hundred a year clerk. The agriculturists have one of their most capable and successful men, Mr. Crerar, to look after their national interests, a twenty thousand a year man. So also have the Labor Unions in Tom Moore.

The other weakness is in the Government at Ottawa, particularly in the Ministry of Trade and Commerce. Brilliant oratory, and a correspondence school course in business will not make a successful manufacturer or sales manager.

Both leaderships were utterly incapable of grasping the opportunity hinted at by the labor men, nor were they broad enough to bring the matter before, or invite the assistance of the big industrial chiefs.

The Building That Isn't Done.

Perhaps never before was there such a chance for bringing Canadians together in national team work for the reconstructing of industry. Here, hundreds of men—particularly in the smaller centres and on the farms—with millions of money to put into building on reasonable terms, and thousands of workers in a mood to meet them, who failed to get together because we left this big problem to a weak leadership in the C. M. A. and in the Dominion Department of Trade and Cammerce. It is an easy problem to follow in detail the far-reaching effects a demand for building material and house furnishings would have on all Canadian industries. It would benefit directly or indirectly nearly every worker to the uttermost corners of the Dominion.

Instead of taking advantage of this opportunity of getting together for reconstructing Canadian industry, things were allowed to drift into discontent and unemployment, and the unnecessary taxing of the country the provinces and the municipalities a third each, amounting to many millions, to maintain in idleness men and women anxious to work. They are now planning soup-kitchens and non-productive work for the coming winter, instead of encouraging legitimate business and employment that would bring money into the country and homes.

The Heart of Industry

COAL as a source of power is becoming less abundant and more expensive, and consequently large industrial concerns are demanding electric power generated from water power because of its greater economy and dependability of supply. Water Power Companies, because they use but little labor, have no strikes; nor have they any transportation problems. Their business is on a cash basis, and there are no inventories to write off. Earnings are not affected to any extent by business depression.

A study of Hydro-Electric Companies convinces us that their securities represent one of the most desirable forms of investment.

Write for further facts regarding water powers

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THE DOMINION BANK

Notice is hereby given that a Dividend of three per cent. upon the paid-up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1921, being at the rate of twelve per cent. per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Saturday, the 2nd day of July, 1921, to shareholders of record of 20th June, 1921.

By Order of the Board.
C. A. Bogert,
General Manager.
Toronto, 20th May, 1921.

The Hamilton Provident and Loan Corporation

Dividend No. 100

NOTICE is hereby given that a dividend of FOUR AND ONE-HALF PER CENT., being at the rate of Nine per cent. per annum, has been declared for the half year ending June 30, 1921, upon the paid-up Capital Stock of this Corporation, and that the same will be payable at the Corporation's Head Office, Hamilton, Ontario, on and after Saturday, the 2nd of July 1921.

The Transfer Books will be closed from the 15th to the 30th of June, both days inclusive.

By order of the Board,
D. M. CAMERON,
General Manager.
Hamilton, June 1st, 1921.

BOND SALESMAN

WANTED—An experienced bond salesman to sell first mortgage bonds for an industrial concern of many years' standing, either on a commission basis or straight salary. Must be reliable and have experience in this line. Apply to Box 102. Financial Post.

Interprovincial Brick Company of Canada, Limited

Preferred Dividend No. 28.

Notice is hereby given that a dividend of 1¾ per cent. (One and three-quarters per cent.) on the Preferred Stock of INTERPROVINCIAL BRICK CO. OF CANADA, LIMITED, hase been declared for the quarter ending June 30th, 1921, payable June 30th, to Shareholders of record June 25, 1921.

By Order of the Board.
A. M. MARSHALL.
SEC-TREAS.

Interprou'ncial Clay Products Limited

Preferred Dividend No. 2.

Notice is hereby given that a dividend of 2 per cent. (Two per cent.) on the Preferred Stock of Interprovincial Clay Products, Limited, has been declared for the quarter ending June 30th, 1921, payable June 30th, to Shareholders of record June 25th, 1921.

By order of the Board,
A. M. Marshall,
Sec.-Treas.

Government of the
PROVINCE OF BRITISH COLUMBIA
Canada

Twenty Year 6% Coupon Gold Bonds

Dated June 15th, 1921. Due June 15th, 1941

Principal and half-yearly interest (15th June and December) payable at the Canadian Bank of Commerce, at Victoria, Vancouver, Winnipeg, Toronto or Montreal, at the option of the holder. Bonds may be registered as to principal.

Denominations $1,000., $500

PRICE: 95.52 and Interest, Yielding 6.40%

Interim certificates will be ready for delivery on or about June 30th. Orders may be telephoned or telegraphed to any of our offices at our expense. Securities will be delivered to purchasers free of all delivery charges.

A. E. AMES & CO.

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Oil Development Being Throttled in the West

Capital is Being Discouraged and Prospectors Have Lost Faith in Government to Give Them a Square Deal

(By Agnes C. Laut)

"Though almost a year has passed since the discovery of the oil gusher at Ft. Norman, MacKenzie River, no oil boom has resulted to the North. Eleven different oil rigs have been reported going down the river to drill this year; but as the most of them belong to one company and were partly shipped in last year, they can hardly be described as the result of the well at Ft. Norman. There a few American companies are making a careful reconnaisance. One is reported to have in fee simple and lease 600,000 acres of possible oil areas, the other of 400,000 acres, not leased direct from the Government but from owner in fee simple, who have sub-leased. The total amount of money received by the Dominion Government since January 1 1919, runs over two million dollars for oil leases, which at $1 an acre gives approximately the area leased directly from the Federal Government. Yet gasoline sells at 25 to 30 cents in the United States and at 40 to 60 in North Western Canada; and Canada yearly imports 40,000,000 gallons of oil.

"Do some figuring! Balance the revenue she is receiving from her oil leases with the total she is paying for oils. Would development, or locking up her resources, pay the better?

Little Progress Made.

"Yet her oil development is not going ahead and however deeply disappointed the West may be, it now acknowledges that fact. In a little inland Northern town in British Columbia, I have a dozen letters forwarded from my usual address, asking me why; and I purpose answering in the words of one of the big American companies, which had prepared to go ahead; then, didn't.

"The feature providing that three-fourths of the field area revert to the Crown on discovery of oil, has, I see, been slightly modified, giving the discoverer of the oil first rights to the re-lease of those three-quarters; but burned fingers fear the fire. We have ha dtoo much of that sort of thing in Mexico and South America. On what terms shall we have the first right to re-lease the three-quarters that revert to the Crown? Then take the possible oil royalties in the future. They may be 10 per cent. or they may be 20 per cent. We don't know what royalties are to be exacted. That is to be settled by an order-in-council. Orders-in-council have already changed Canada's oil laws three times in one year. We have paid $50,000 in lease filings since Christmas; but I doubt if we can afford to sink a well under the present conditions of uncertainty. You simply don't know where you are at, except that you may have spent a great deal in exploratory work and then find a rival scooping in to get the benefit of it. If you add all Canada spends in crude and refined oils, light and power lubricants, it can't be far short of $60 millions a year. The $500,000 in oil leases since Jan. 1921 is a small balance against that.

"There are other points in your oil laws unaccountable to a practical oil man. Why forbid the extraction of oil from tar sands? As Canada's oil laws shift and change, they are simply driving capital that was eager to come into Canada to South America and other foreign fields. It is natural Canada should want to pay her War Debt with some of her oil resources; but as her laws are reacting to-day, she will have to spend half a billion of government money to get her oil under nationalized operation; for foreign companies will not go ahead under present conditions."

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Experience Suggests Buying Bonds

The certain and occasionally swift decline in commodity prices heralds a corresponding decline in Bond interest rates and a resultant rise in Bond prices.

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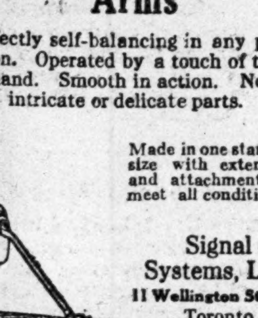

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TORONTO STOCK EXCHANGE

At the annual meeting of the Toronto Stock Exchange the uncommon course was adopted of re-electing last year's officers and committee without change. These are as follows: President, E. Gordon Wills; Vice-President, J. C. Fraser; Treasurer, Malcolm Stobie; Committee, Avern Pardee, Stuart B. Playfair and C. E. Abbs.

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Armstrong	Nanaimo	Trail	Oak Bay
Chilliwack	Nelson	Vancouver	Richmond
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Enderby	North Vancouver	Victoria	South Vancouver
Fernie	Port Alberni	Burnaby	West Vancouver
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FRANK LETTER TO TRADE HITS OVER-BUYING

(From our own Correspondent)

MONTREAL.—Here is a question from the market letter of the Barrett Company, Limited, of this city, with many branches in Canada:

"TARRED FELT.—The tendency in price is downward. No change at this writing but it may come in the near future."

It is not often that a circular letter goes out to the trade advising of a coming drop in prices. Indeed in normal times this warning had its disadvantages probably for both the manufacturer and the wholesaler and retailer, but in a period like the present, where the trade in many cases is almost wholly in the dark as to market tendencies up or down, and where the danger of overstocking of merchandise is unerringly certain to make itself felt, the type of letter this company is sending out to its customers, The Financial Post is assured, is deeply appreciated.

The "Unpardonable Sin."

A superficial view would incline to the conclusion that a warning against buying certain goods would hurt the sales of the manufacturer who gave the warning. That is so, insofar as that particular order is concerned. Probably the great majority of customers in "tarred felt" would hold off buying as long as they could, and the June circular of the Company would in all likelihood push down the sales of the company in this line below the figures of one year ago and what is often regarded as "the unpardonable sin" in salesmanship would have been committed.

On the other hand, those who are enthusiastic in their support of this manner of selling goods, believe that in protecting the customer from his own ignorance or over-confidence in existing business conditions, the manufacturer is establishing more firmly than by any other method, the confidence of that customer and assuring for himself, when the market takes on a normal tone, all the business that customer can throw in his way, while he secures in the hand-to-mouth method of buying in "driblets" all the business that is safe for that customer to give at the moment. * * * *

It is a long term as against a temporary policy of salesmanship and it promises to win out against the other. Particularly in a transition period such as the present.

Cold Water Douche.

Here is more of that June trade letter. "Since last December there has been a quite gradual dercease in the prices of most of our products, and this downward tendecy will continue probably throughout this year."

What a dash of cold water for the salesman who enters the customer's place of business seeking a big order at the moment! A refusal to buy is invited, and the invitation promises to be accepted. The manufacturer actually warns him against buying the very goods his traveler is offering . A phenomen not unheard of but comparatively rare under the circumstances.

ysdy*ttahooreevghh SHRDLUSHRD

The letter continues: "We reduced prices, in the early spring, as low as we could reasonably go, and our old customers who have carefully followed our various market letters and our methods of selling have, we believed, ployaed safe and have nothing to regret."

Against "Stocking Up."

Now against socking up: "At present time we do not advise that you 'stock up' in our lines, but that you simply buy from now on, more frequently. If you find that you have in stock more goods than seems warrantable of the lines which we indicate below are likely to decrease in price, we would suggest that you make a special drive to liquidate such surplus as promptly as may be...."

And again. * * * * * * * * *

"We are advising you of conditions exactly as we see them, regardless of how it may effect our present sales, and with a growing belief that in times like the present that our old customers, and especially those at a distance from Montreal, will welcome the opinions that we express. It is certainly no time to gamble with 'fly by night' sales propositions or to try business with any old established and reliable firms.

Then follows market opinions in detail. In this line: "difficult to analyze, no radical changes but possibly a drop later," in this: "No change looked for for some time;" in a third: "There have been two drops this year, and while prices may go somewhat lower this year ,there will be no radical drops from now on," and in another "Tendency is in general downward" while the last one on the list, coal tar, is marked as "uncertain."

Personals

LIEUT.-COL. L. T. MARTIN, who together with Col. J. I. McLaren, of Hamilton, has been appointed to vacancies on the Board of the T. & N. O. Railway, caused by the death of the late Commissioner J. L. Englehart, and the retirement of Hon. Dr. R. F. Preston, is a native of Ontario. By profession he is a railway engineer, and has had varied railway and general construction experience. He worked with the engineers of the T. & N. O. Railway in 1903, and in 1905 was appointed resident engineer at Matheson. From 1906 until 1912, he was engaged in railway construction on the Transcontinental, in Quebec. In 1914 he became manager of the Great Lakes Dredging and Contracting Co., and carried on operations at Port Arthur, Fort William, Ojibway and on the Welland Canal. He raised and commanded the 7th Battalion, Canadian Railway troops during the war, and was decorated for distinguished service in France. He was born in Arnprior in 1884.

COL. JOHN McLAREN, whose appointment is announced this week by the Ontario Government to a place on the Board of the Temiskaming & Northern Ontario Railway has been prominent in business circles in Hamilton for a number of years. He has been long connected with the Canadian Militia as well and served with distinction in the European war. He was born in the county of Huron in 1865, moving to Hamilton fourteen years later. He has been manager of the Hamilton Coffee and Spice Co. for the past eighteen years and under his management this company has become one of the largest concerns of its kind in Canada. He has taken an active part in municipal affairs in the city of Hamilton and has filled both the posts of alderman and mayor. He was an unsuccessful candidate in the federal elections of 1911, and 1917. During the late war he commanded the 19th overseas battalion from its organization, November, 1914, until his return from Belgium, 1916, to take charge of a training brigade in Canada.

RUSSELL D. BELL, who has been elected president of the Bond Dealers' Association of Canada, is partner of the investment house of Greenshields & Company, who are members of the Montreal Stock Exchange. Mr. Bell served his apprenticeship in financial matters on the New York "Sun" as a mem[illegible] of the staff, between 1908 and 1911, [illegible] ing from Lehigh University. He came over to join the staff of the Montreal firm shortly after it was organized and in 1912 was taken in as a partner. During the war Mr. Bell saw service in France and rose to the rank of Captain. He was a member of the Executive Committee of the Bond Dealers' Association last year and also Dominion chairman of the committee on Public Utility and Industrial Financing. He is now President of the Financial Club of Montreal. He is recognized as neither a "bull" nor a "bear" in the financial field, but rather as a shrewd and cautious student of economic affairs. He holds a place on the Board also of the Travellers Life Insurance Company of Canada. Born in 1887 he is considered to be the youngest president the Bond Dealers' Association has yet had. Among other connections he is a member of the University Club, Montreal Racquet Club, Montreal Hunt and Royal St. Lawrence Yacht Club.

MILLIONAIRES DO SOMETIMES DO THINGS LIKE THIS.

A man was dying. His family believed he was to leave them well-to-do. But he had suffered reverses and, when stricken with an illness which he knew was to prove fatal, he was actually worth less than nothing; he was many thousands of dollars in debt. To a friend who visited him on his sick-bed, he confided that he was suffering mental torture because of his financial condition. The thought of what would become of his family haunted him. The friend felt infinitely sorry. The sick man had always played the game honestly; he was held in high respect; and his family were lovable folks.

The friend happened to tell the story to a wealthy man. "How much is he in debt?" asked the millionaire. He was told. "About how much would his family imagine he was worth?" he next asked. He was given some idea. The millionaire immediately wrote out a cheque for more than the combined amount, handed it to the friend, and told him to deposit it to the dying man's credit and to go and assure him that he could die in peace, as his family had been amply provided for. Incidentally, the millionaire forbade the disclosing of his name.

This sounds like a fairy story, doesn't it? The truth is that men of wealth often do things equally as thoughtful and generous as this. Not a few of them have grasped the fundamental truth of the lines depicted by a great painter over a shrouded bier:

What I spent, I had.
What I gave, I have.
What I have, I have lost.

No man who cannot grasp the eternal truthfulness of these lines has learned the secret of real happiness or real success.—Forbes Magazine (N.Y.).

EXTRAVAGANCE AT OTTAWA.

(Forest Free Press.)

An example of the ruthless extravagance of the Ottawa government is shown in the disposal which was made of a portion of the plant of the Printing Bureau, when that branch of the service was reduced after the war. Last fall twelve typesetting machines were sold at fifty dollars each. The regular price of these machines is $2,500 and upwards. Type cabinets, worth from $20 to $40 were sold at five dollars each, and gallery racks at two each. One of the machines and some of the cabinets came to Forest. No wonder taxes increase.

RE-ADJUSTMENT MUST PROCEED

(Continued from page one)

and workmen are trying to stabilize the industry in their city on a basis of 75 cents an hour for workers and the hope is expressed the concession will start a boom in building there. Some urgent work may be undertaken as a consequence, but it is doubtful if many will place contract until a more drastic cut is made. Even this reduction which was more than justfied by early spring conditions, would undoubtedly have helped and given employment for summer and autumn, but it has come too late and is not of sufficient dimensions to start any unusual activity.

There is a recognition too on the part of the unions and the contractors of the successful competition of small builders, and low priced labor, particularly of Jewish origin. In Montreal and Toronto within the past few years the Jewish firms have been making themselves noticeable in the small factory and house-building trade. They have been proving themselves efficient workmen and their employees have on this account on a number of occasions outbid the old established contractors. This year several of the smaller contractors have employed Jewish workmen, paying them the scale or wherever possible a rate based on work done. They have been doing 50 to 60 per cent. more than the old unionists. The immigration into Canada this year has been strongly continental Jewish, and a great many of these have found their way into the building trades under the smaller Christion as well as Jewish contractors.

Then too the Canadian railways are taking up the matter of lower wages and the C.P.R. is asking its employees to accept a reduction of 12 per cent., effective from July 1. The fact that a large number of railway employees have been out of work for some time will tend to aid the cause of the employing companies. The matter is now the subject of negotiation and so far the opposition has been confined to argument.

Crop Prospects Favorable.

The crop propects both in eastern and western Canada gives cause for optimism. Abundant rains have given the spring crops a most favorable start. In the west in particular, where the crops and business aro inseparably linked together there has been a decided improvement in sentiment of late. A correspondent of The Financial Post, writing from Winnipeg,outlines the situation as follows: lows:

Everyone is talking about the wonderful crop prospect this year. I cannot help meeting the changed humor of the people one meets. When I first came out everyone was as glum as could be. To-day people are smiling and talking bumper crops."

Canadian Car and Foundry Co., Limited, Montreal

Dividend Notice

Notice is hereby given that a Dividend of one and three-quarters per cent. (1¾ per cent.) on the paid-up Preference Stock of this Company for the quarter ending June 30th, 1921, has been declared payable on the 12th day of July, 1921, to Shareholders of record at the close of business on the 28th day of June, 1921.

By order of the Board
A. C. BOURNE,
Secretary.

Montreal, June 17th, 1921.

RAILWAY MEN TO ACCEPT CUT FIRST OF JULY.

(Continued from Page One)

the Railway Labor Board at Chicago and presented to the railways and the men as a judgment to be followed have been accepted practically unchanged for Canada. The 12 per cent. as announced is merely an average; some wages are cut more, some less. In some cases the men go back to the wages in effect on May 1, 1920, before the last increase of the Railway Labor Board went into force; such as the section men at forty cents an hour as against 48½ cents paid since that time; in other cases there is a reduction of more, in others of less than the increase made last year. A report that the clerical staffs were to be reduced from over $100 a month on an average to about $70, or a thirty per cent. cut, is characterized in railway circles as incorrect. The decrease has not yet been determined, but it would appear not likely to exceed ten to twelve per cent.

Estimates as to the total wages paid now are difficult to secure, but on the basis of an increase of $65,000,000 on May 1, 1920, it is figured out that the wages now paid by the Canadian railways run between $325,000,000 and $350,000,000. A cut of twelve per cent. on these would amount to between $39,000,000 and $42,000,000.

DEVONSHIRE'S CRADLE LESSON.

Barron's Weekly

"In getting your country filled up," said the Duke of Devonshire at a banquet at Regina, Sask., on his farewell tour of Western Canada, "always bear in mind that of all the colonization agencies in the world, nothing has ever approached the cradle." Western Canada is still an empty empire with land its greatest asset and people its greatest need, but the vacant C.P.R. and Hudson's Bay prairie lands are rapidly becoming progressive farms.

Immigration is heavier than at any time since before the war and the births per 1000 of population in Manitoba numbered last year 25 against 11.66 deaths; in Saskatchewan 29.08 against 13.30; and in Alberta 26 against 7.75. The birth rate in the three prairie provinces was nearly three times the death rate. The births in Manitoba number 15,317; in Saskatchewan 21,686; and in Alberta 13,576, a total of 50,579.

The postponement for one week of the regular divi[illegible] meeting of Spanish River Pulp and Paper Mills was explained on Wednesday by a long-distance telephone message from George H. Mead, president of the company, who was ill in bed in Dayton, Ohio. It is expected that the strike at the company's mills will be settled in the course of a week, with a reduction in wages of about 20 per cent.

When will bonds advance?

What is the ratio of total deposits to loans and investments?

What is the ratio of deposits to current loans?

How does the credit situation affect the investor?

The tendencies of the market and the outlook for trade, which provide the answers to these questions, are set forth in the July Greenshields' Review.

Write for a copy today.

Greenshields & Co.

INVESTMENT BANKERS

Montreal: 17 St. John Street
Toronto, 14 King Street East
Ottawa, Central Chambers

The Vision That Builds a Nation

The pioneer of early days labored alone or in small groups. His faith was often sorely tried.

The pioneer in industrial development to-day works shoulder to shoulder with thousands of like vision. His little capital, joined to that of others, can perform miracles.

Canada is only at the beginning of the wonders that can be brought about through modern co-operative financing of industrial development. And the rewards are open as much to the small investor with vision as to the big capitalist.

Our list of recommended industrial securities brings such profitable investment within YOUR reach. Write for it to-day.

Graham, Sanson & Co LIMITED

INVESTMENT BANKERS

American Federation of Labor decides not to push fight for organization of steel trade during present depression.

Province of British Columbia

20-Year 6% Coupon Gold Bonds

Dated June 15, 1921 Due June 15, 1941

Principal and half-yearly interest (15th June and December) payable in Toronto, Montreal, Winnipeg, Vancouver or Victoria.

Denominations: $1,000 or $500.

Bonds may be registered as to principal.

Price: 95.52 and Interest, Yielding 6.40%

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Leave Toronto (Yonge Street)	Daily except Saturday	9.45 p.m.
Arrive Ottawa (Sparks Street)	Daily except Sunday	7.15 a.m.
Arrive Montreal (Windsor Street)	Daily except Sunday	7.20 a.m.

Westbound, Leave Montreal 9.15 p.m., Ottawa 10.00., Daily except Saturday.

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BEST SERVICE QUICKEST ADJUSTMENTS
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Canada Permanent Mortgage Corporation
QUARTERLY DIVIDEND
Notice is hereby given that a Dividend of THREE PER CENT. for the current quarter, being at the rate of
TWELVE PER CENT. PER ANNUM
on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable
SATURDAY, THE SECOND DAY OF JULY
next, to Shareholders of record at the close of business on the Fifteenth day of June.
By order of the Board.
GEORGE H. SMITH, Assistant General Manager.
Toronto, May 25th, 1921.

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INSURANCE AND REAL ESTATE

EFFECT UPON INSURANCE OF INCENDIARISM

The Legal Responsibility of Fire Companies Is Outlined

STRIKES IN ORDER

And a Possibility of Fires Through Disgruntled Workmen—Companies Define Limits of Liability

What would be the legal and moral responsibility of an insurance company in connection with a claim arising out of damage to property through fire, the fire having been deliberately and maliciously started by a striking workman, as a means of revenge against his employer? Would the fire insurance company be required to meet the claim in full, or could it repudiate all responsibility in view of the circumstances attending the origin of the fire?

The question is of interest to employers and property owners in every part of the country during these days of unrest, when workmen are combating the movement toward lower wage levels and delaying the inevitable by every means in their power. So far, fortunately, while strikes have been fairly general, peaceful means of settlement have been resorted to, but the problem arises in view of the general unsettlement of the moment.

The insurance company always incorporates in its policy a paragraph outlining the conditions under which it will be liable in case of damage or loss through fire. The average Canadian insurance company denies responsibility for loss arising out of "invasion, riot, civil commotion, or insurrection." In policies of certain British companies there is a clause introduced by which the company is protected from loss arising out of strikes or lock-out of workmen. This clause is absent from the policy of the Canadian company however, and it is the practice of insurance companies to pay fire losses arising out of all other causes.

The Riot Factor.

In the instance quoted where the striking employee deliberately sets fire to his employer's property, there is no evidence of what may be technically termed a "riot," and the insurance company would therefore be liable. Nor would the case be altered if five or six men banded themselves together for the purpose of destroying their employer's property by fire. But if the fire should arise during the course of a riot of these workmen, it is probable that the insurance company could disclaim responsibility if it so desired. There is a fine point of distinction in this case, and one that has been frequently debated by the companies and by the law courts. Generally speaking, the insurance companies avoid litigation in these matters, and are generous in meeting claims in order to free their company from the possibility of criticism, but if the company should press its claim it is probable that it would have perfect legal right to disclaim payment in such an instance. Generally speaking, however, the case is judged by circumstances attending.

Riot Insurance.

In the case of a general riot and insurrection, the insurance companies are clearly within their rights in refusing to meet claims. The problem is then one for the consideration of the government, for as governments were primarily instituted to maintain law and order, there is a definite laxity or failure when disorder attains the proportions of a riot. Insurance has been provided, however, to meet this exigency. Riot insurance was taken out by many firms during the course of the unrest in Winnipeg a couple of years ago. In time of a general unrest a firm may argue unwisely that as there is no danger of a strike of its employees it has no need for riot insurance. If, however, a fire originates as a result of the riot even a block or two away, and spreads and destroys other buildings than that owned by the employer of the striking workers, the property owner cannot legally collect from the insurance companies.

In order therefore to avoid complications and possible loss as the result of a fire of incendiary origin many companies take out riot insurance. During the past year or so there has been a falling off in demand, and many policies have been allowed to lapse. Of late, however, there has been a revival of interest in this form of protection, due, no doubt, to the prevalence of striking tendencies throughout the country, and the general economic and industrial unrest.

Insurance companies during a time of unsettlement usually charge three times the normal rate of insurance of this nature. The policy is taken for a period of one year, but the insured as well as the insurance company is allowed the privilege of cancelling his contract at the end of 90 days, if he should so desire. He is entitled to a refund of 60 per cent. of the entire premium paid. A clause may be incorporated in the contract, however, rendering it proof against cancellation by either party for a prescribed period. With the ordinary policy, however, the insurance company is also allowed the option of cancelling the contract at the end of ninety days, allowing the insured the option of five additional days to make arrangements for a renewal of the contract on a basis satisfactory to both parties. This option is only exercised by the company where a contract has been taken at normal premium cost, and where during the period of ninety days there develop symptoms of unrest. The cancellation privilege is exercised in order to allow the company to adjust its rates to meet altered conditions and so protect itself from possible loss.

Asset for Industry.

A new form of contract, popular in the United States, but which has only recently been introduced into Canada, indemnifies contract holders against actual loss of fixed charges and net profits caused by partial or total stoppage of production through strike or walk-out of all or part of employees. Such insurance provides the employer with an effective weapon with which to combat the striking tendencies of his workers. A strike is instituted primarily for the purpose of breaking down the employer's defence by curtailing or eliminating his profits. If the strikers have knowledge of the fact that the employer through insurance will not suffer a diminution of profits during the course of the strike, they will more readily come to terms, as the burden of the strike will almost entirely fall upon them.

HOME ENDOWMENT BONDS SOLD FOR LIFE ASSURANCE

Novel Plan Worked Out by Northwestern Life and Associate Companies.

Something rather novel in the way of combining life insurance protection with home building has been worked out by three Canadian companies, with head offices in Winnipeg that are closely associated with each other through directors and shareholders. They are the Northwestern Life Assurance Company, the Northwestern Construction Company and the Northwestern Trust Company.

Homes are built by the construction company for people who are unable to finance such work themselves. A series of standard plans of suitable homes has been prepared by competent architects working under the construction company. The individual wishing to build a home, chooses the type of building he desires, picks a suitable location in the city of Winnipeg, and enters into a contract with the construction company to build the home.

He makes a cash payment that varies with the size and cost of the home. For a six room bungalow costing $7,000 the average payment would be $1,000. The construction company, on building the home, takes a first mortgage of $6,000 to cover the balance. The owner of the home is then required to take out an endowment policy in the insurance company payable to the trust company, and this is then deposited with the trust company as additional security for the mortgage.

The owner makes regular payments which average about 1¼ per cent. monthly and these payments are sufficient to retire the mortgage in twenty years and to carry the premium on the insurance, as well as the taxes and insurance.

Should the owner die before the end of the twenty year term, his estate will of course be refunded the amount by which the insurance exceeds the balance of the mortgage, and if he survives, the policy is transferred to his keeping again. Sometimes it happens that a person desiring to take advantage of the building plan is not considered a good risk for life insurance, but in such a case the insurance may be taken on the life of his wife, or in fact of any other person so long as the provisions regarding the trust agreement by which the policy protects the mortgagee are carried out.

The companies involved have not had their plan in operation very long but already progress has been made in selling it to the public. The plan operates under the name of the "Home Endowment Bonds."

The same interests who control these three companies have inaugurated a fire insurance company and eventually the fire insurance on the houses will be placed with this fourth organization.

COMBINES TEND TO RESTRAIN THE BUILDING TRADES

Important Disclosures At Government Investigation in Buffalo

MORTGAGE PROFITS

Representative of J. H. Smott, Corp. on Stand—Estimates Profits at 20 Per Cent.—A Burden on Industry

Some interesting disclosures, revealing the presence of combines which acted to restrain trade, and especially the building trade, came out at the inquiry being held by the Lockwood Legislative Committee at Buffalo this week. Not only did the evidence show that there were strong lumber and plaster combinations which were described as being vicious in their effect upon the building industry, but it was shown that the city of Buffalo was in the grip of a fire insurance monopoly as rigid as the New York Fire Insurance Exchange was shown to be. Further meetings were called for the purpose of formulating some plan of stopping objectional practices.

Methods of financing construction, and especially the methods employed by the second mortgage companies were under review. In this connection the inquiry brought in the names of Attorney-General, Charles D. Newton, and Senator James W. Wadsworth Jr., both of whom were shown to be directors of the Frontier Mortgage Corporation of Buffalo. The Frontier Mortgage Corporation was organized in May, 1920, as a brokerage concern specializing in second mortgages, and has handled about 150 transactions involving property in and near the city of Buffalo. An affiliated concern, known as the J. H. Smoot Corporation, headed by J. H. Smoot, a former Chicago business man, was organized to market the stock of the Frontier Corporation.

Estimate Profit at 30 per cent.

Samuel Untermyer, chief counsel to the committee, put into the record copies of two prospectuses issued by the latter company, one of which estimated profits of 30 per cent. through discounting second mortgages. The second puts the profit at only 20 per cent. and Edward H. Hunt, secretary of the corporation explained that the first was a misprint, although it was shown that it differed from the other in several other particulars.

Mr. Untermyer showed through Mr. Hunt that by discounting second mortgage at 20 per cent. and collecting interest at 6 per cent. on the full face amount, the borower was actually paying something over 14 per cent. for his money, over the period of three years, the longest terms dealt in. He characterized the discount as an out and out bonus for the loan, and asked Mr. Hunt if the practice did not mean that quite a considerable burden was placed upon building. Mr. Hunt explained that the profits so far had been between 10 and 20 per cent., and that second mortgage risks were not what investors desired generally.

Summing up the work of the committee Mr. Untermyer made a vigorous demand for the prosecution of the leaders in the brick, plaster, gypsum, sand, gravel and lumber combinations. He added that in some cases the committee would urge the Attorney-General to institute suits for the dissolution of the combinations if they did not at once dissolve voluntarily.

"EXCEL CLUB" TO MEET.

Excelsior Life Writes Larger Volume of Business This Year.

The "Excel Club," composed of men who have writen at least $100,000 of new life insurance for the Excelsior Life Insurance Company, will meet at Montreal, August 17th, to 20th, next. The substantial increase in the club's membership is an indication of the financial condition of the people, and is confirmed by the records of the company. These show an increase of business over the record of 1920. Some people are complaining of adverse business conditions, but they cannot find any trace of them in this company's returns. The lessons of the war have contributed to the general realisation that life insurance is a necessity.

COAL IN SASKATCHEWAN.

REGINA—Another boost towards industrial expansion in Saskatchewan is reported in the discovery of a seven-foot seam of coal three miles east of Estevan, Sask. The result of tests show that on a minimum estimate, there is a deposit of 3,500,000 tons of coal. The average depth of the find runs about 60 feet.

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Fire, Marine, Automobile, Hail, Explosion, Riots, Civil Commotions and Strikes Insurance.
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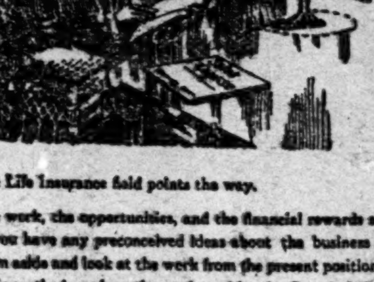
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GROWTH SHOWN MONTH OF MAY BUILDING TOTAL.

The Figures at $12,869,173 Establish Record For Year.

CONSERVATIVE LINES

Fall Below Totals for Previous Year—Anticipated Revival Has Not Materialized.

Building figures for the month of May indicate that while there has been some improvement in the building situation throughout Canada as compared with the previous months of the year, the improvement has not been on the scale generally anticipated, following the adjustment of the wage problems at the beginning of the month. Building is still fairly restricted, and the total for the month of May at $12,869,173 compared with $14,006,692 for the corresponding month of the previous year. It will be recalled that during the month of May 1920, the building situation had passed the zenith of its activity for the year, and was beginning to feel the influence of the tide of depresson that was slowly gathering force at that time. This year, however, there has been a steady and conservative improvement from month to month, but the general business situation at the moment is not conducive to stimulating building on a large scale. There is little demand for industrial properties and there is at present ample accomodation to provide for the needs of business. Building costs have been modified but are on the whole still above normal. There is a great scarcity of housing however, and it is in this branch of construction that the greatest activity prevails at the present time.

Eastern Cities Show Increase.

The total for the first five months of the year stands at $36,615,925, which compares with $45,180,962 for the corresponding period a year ago, or a falling off to the extent of $8,565,037. The improvement has been most conspicuous in the east, where for 27 cities the total for the month of May is above the total for May, 1920, standing at $10,393,108 compared with $9,393,108. There has been a heavy decline in the west, however, the total for fifteen cities standing at $2,440,157, against $4,614,584.

The city of Toronto with permits issued to the value of $3,241,896, not only shows a fair increase over the total of the previous year of $3,133,605, but leads all the other cities of the Dominion by a wide margin. Montreal with permits to the value of $1,732,664, against $1,695,658, also reports a fair improvement. The most conspicuous decline is noted in the case of the city of Weyburn, Sask., where the total has fallen from $2,235,858, a year ago, when some special construction was undertaken, to $1,450 this year. The city of Quebec reports permits issued to the value of $919,294 compared with $334,900; the city of Sarnia, $587,133 compared with $92,405, and the city of Windsor, $600,384, compared with $441,825. In the west, Winnipeg reports a substantial increase in construction over May, 1920, the total for the past month standing at $1,004,800 compared with $531,400.

The following were among the more important permits issued during the month: Yorkton, store, $13,000; sixteen dwellings, $32,900. Regina, stores and office, $14,000; Prince Albert, new building at penitentiary, $150,000; Moosejaw, stores, $27,000; Winnipeg bank building, $120,000; theatre, $125,000; school, $161,400; warehouse, $26,000; St. Boniface, $65,000; Medicine Hat, warehouse, $30,000; Windsor, school, $212,769; Sarnia, school, $492,000; London, hospital, $205,000; Kingston, addition to erection and storage shops of Canadian Locomotive Co., $110,000; Galt, bank building, $30,000; hydro electric building, $130,000; Montreal, two office buildings, $225,000; school, $123,000; apartment houses, $144,000; factory, $147,000.

TRUST & LOAN MADE PROFIT ON EXCHANGE

But Situation Makes it Difficult to Bring Capital From Britain to Canada.

(From our own Correspondent)

MONTREAL. —The annual report of the Trust & Loan Company of Canada for the year ending March 31, 1921, shows that business and profits of the company held up well during the year. The net profits amounted to £111,026 as compared with £118,575. After carrying to the Statutory Reserve Fund the moiety of profits over 6 per cent. per annum on the paid-up capital of the company, as required by the Trust and Loan Company of Canada Act and Royal Charter, viz., £15,013, the amount of credit at Revenue including £5,652 brought forward from the previous year was £101,665. Out of this amount the directors paid an interim dividend, free of income tax, on December 15, of £40,500 and in the report recommend that out of the balance of £61,165, a dividend at the rate of 6 per cent. for six months ending March 31, 1921 be paid and also a bonus of one-half of 1 per cent. both free of income tax. This made 6½ per cent. dividend for the year and left a balance of £13,915 to be carried forward.

The profit and loss account shows expenses in London and Canada of £41,275 as against £35,409. The interest received in Canada amounted to £228,264 compared with £222,259 the year before. Another receipt was £14,454 for difference in exchange between the two countries. The total income was £33,661 where the previous year it amounted to £296,156. The balance carried forward into the new year amounts to £101,665 compared with £95,652 the previous year.

The balance sheet shows temporary investment and money at call largely increased by nearly £200,000 from the previous year, amounting to £945,305 as against £747,547. Investments in Canada now amount to $14,611,702 showing an increase of nearly $1,000,000 from the total of one year ago which was $13,757,832. On the other side of the ledger the debentures outstanding show a decline of about £150,000 as compared with the year before indicating the difficulty of getting money in England and Scotland, the total amount being £1,772,120 compared with £1,923,067. Debenture stock showed very little change, the total being £796,775 as against £808,578. The total assets of the company now amount to £4,186,242, a slight increase over the total of one year ago, which was £4,162,810.

The capital stock now amounts to 1,800,000 shares at £2 each as compared with 150,000 shares at £20 each the previous year, old shares having ben exchanged in the proportion of twelve new shares for one old share.

John D. Rockefeller, Jr., to go to China this summer as head of delegation of trustees of Rockefeller Foundation to attend dedication of new buildings at Peking Union Medical College.

Eastern Cities

Maritimes	May, 1921	May, 1920		Change	5 mos. 1921	5 mos. 1920		Change
Halifax	$ 465,254	$ 431,845	I	$ 33,400	$ 1,271,429	$ 1,474,885	—	$ 203,456
Moncton	41,525	120,005	—	78,480	155,930	370,720	—	214,790
St. John	22,000	28,200	—	6,200	90,200	310,650	—	22[illegible],450
Sydney	55,325	106,962	—	51,637	218,990	242,162	—	23,172
Quebec—								
Montreal	1,732,664	1,695,658	I	37,006	4,921,019	6,113,309	—	1,192,290
Quebec	919,294	334 900	I	584 394	1,694,584	1,257,464	I	437,120
Three Rivers	92,600	99,365	—	6,765	354,050	536,450	—	182,400
Westmount	101,950	228,675	—	126,725	468,310	510,890	—	42,580
Ontario—								
Brantford	68,63[illegible]	94,450	—	25,815	193,485	432,690	—	239,205
Fort William	36,475	90,745	—	54,270	110,075	164,780	—	54,705
Galt	186,880	56,955	I	129,925	231,305	138,230	I	93,075
Guelph	43,440	65,395	—	21,855	153,721	132,220	I	21,501
Hamilton	402,950	521,250	—	118,300	1,646,350	1,966,300	—	319,950
Kingston	153,422	42,465	I	110,957	230,956	274,965	—	44,009
London	392,140	266,685	I	125,455	895 530	650,765	I	244,765
Ottawa	237,950	547,475	—	309,525	998,735	1,123,075	—	124,340
Peterborough	31,960	6,605	I	25,355	121,562	153,315	—	31,753
Port Arthur	15,467	18,055	I	2,588	51,709	44,031	I	7,678
Sarnia	587,133	92,405	I	494,728	898,849	273,127	I	625,722
Stafford	36,545	59,388	—	22,843	97,649	200,811	—	103,192
St. Catharines	84,591	46,467	I	38,124	298,352	256,222	I	42,130
St. Thomas	15,535	26,340	—	10,805	39,385	64,095	—	24,710
Toronto	3,241,896	3,133,605	I	108,291	8,988,131	10,266,358	—	1,278,224
Welland	34,305	112,425	—	78,060	129,160	167,790	—	38,630
Windsor	600,384	441,825	I	158,559	1,845,520	2,692,675	—	847,055
Woodstock	22,142	75,363	—	53,221	61,505	138,391	—	76,886
York Tp.	806,500	650,700	I	155,800	2,881,550	1,851,000	I	1,030,550
	$ 10,429,022	$9,393,108	I	$ 1,034,914	29,048,144	31,807,400	—	$ 2,759,256

Western Cities

	May, 1921	May, 1920		Change	5 mos. 1921	5 mos. 1920		Change
Alberta—								
Calgary	$ 114,000	$ 436,500	—	$ 322,500	$ 1,381,800	$ 1,245,500	—	$ 136,300
Edmonton	158,655	426,075	—	267,420	[illegible]	1,366,775	—	956,040
Lethbridge	16,500	28,410	—	11,910	50,980	62,890	—	11,910
Medicine Hat	39,675	475	I	39,200	57,275	12,485	I	44,790
Manitoba—								
Brandon	19,000	14,674	I	4,326	49,035	29,403	I	19,632
St. Boniface	132,863	32,985	I	99,878	186,638	119,025	I	67,613
Winnipeg	1,004,800	531,400	I	473,400	2,257,250	4,199,000	—	1,941,750
Saskatchewan—								
Moose Jaw	65,460	149,630	—	84,170	206,465	417,985	—	211,520
Prince Albert	156,130	34,300	I	121,830	156,130	296,730	—	140,600
Regina	319,450	324,675	—	5,225	793,165	1,273,650	—	480,485
Saskatoon	78,455	95,950	—	17,495	141,945	205,200	—	63,255
Weyburn	1,450	2,235,858	—	2,234,408	20,460	2,257,308	—	2,236,848
British Columbia—								
New Westminster	13,850	24,050	—	10,200	76,350	184,365	—	108,015
Vancouver	276,355	226,467	I	49,888	1,319,794	1,388,645	—	68,851
Victoria	38,508	50,885	—	12,377	323,309	283,354	I	39,958
Kamloops	5,000	1,250	I	3,750	106,450	1,250	I	105,200
Total 15 Cities	$ 2,440,157	4,613,584	—	2,173,433	7,567,781	13,373,562	—	5,805,781
Gr. Total 42 Cities	$ 12,869,173	$14,006,692	—	1,137,519	36,615,925	45,185,962		$8,565,037

FARM LANDS IN CANADA PRETTY SAFE FOR LOAN

London Shareholders Get Good Report After 70 Years.

LEAVE PROFITS HERE

Trust and Loan Company Did Not Take Advantage of Exchange—Favorable Factors

(From Our Own Correspondent)

MONTREAL—A copy of the report of the annual meeting of the Trust & Loan Company of Canada held this month in London, England, which has just arrived makes an explanation in regard to the profits of the Company which shows an actual increase in place of the decrease that appeared on the face of the report. The Chairman, Lieut.-Col. the Hon. Sydney Peel, D.S.O., M.P., who presided, suggested that the shareholders should not "jump to the conclusion as some have done that this year was worse than last year." He went on to explain that the company was paying the dividend Income Tax free so that in the present estimates of profits the tax was deducted. Hence to the item in the report of £111,026 profits there must be added taxes of £40,107 leaving the comparison really one of £151,134 as against £118,575 of last year. Taking into account the new par value of the shares thedeclaration of dividends as 6 per cent. with a bonus of ½ of one per cent. worked out at 16 5-7ths per cent. against the 15 per cent. of last year.

Not Much Taken Over.

Interesting references were made to the business of the company in Canada. The Chairman stated that "we have only brought over a small amount of the profits of the year from Canada, as we preferred to increase our investments in Canada by leaving our profits over there.

"We are fortunately in such a position that we can contemplate a rise or fall in the exchange with equanimity. If it rises we can invest more money in Canada at profitable rates; if it falls we can bring our money over here at a profitable rate."

Attention was called to the decrease in "land investments," that is properties bought in and held under foreclosure, from $64,006 to $38,697, and interest overdue decreased from $128,243 to $99,265. He remarked that "this is all the more satisfactory as in some parts of the country war legislation is still in force. I might particularly mention the moartorium in the Province of Manitoba, which naturally makes it more difficult to collect interest due."

In reviewing the conditions on the land in Canada the Chairman stated that "in some parts of Canada it looks as though the crop returns are diminishing, just as they did in parts of the U.S.A. Loaning on farm lands in a country like Canada has its ups and downs, but taking it all in all it remains pretty safe business in the long run, as our experience over nearly seventy years goes to prove."

INTERNATIONAL LOAN.

Large Volume of Stock Placed During Past Year.

The annual report of the International Loan Company for the fiscal year ending January 31 last, shows an increase in assets of $83,576, bringing the total up to $460,064. The surplus according to the profit and loss account amounts to $24,598.

The subscribed capital, including stock sold under Dominion charter, to January 31, is $8,050,100. According to Treasurer Swan's report, some 10,986 shares have been sold since May of last year. Practically all this stock has been sold in the west, thus revealing, according to the treasurer, the faith that the citizens of this country have in the prairie provinces, and the confidence with which they face the future, augurs well for the success of this company.

In future it is planned to end the company's fiscal year at December 31.

INSURANCE CONFERENCE.

Association of Superintendents To Meet At Quebec.

V. Evan Gray, the secretary-treasurer of the Association of Superintendents of Insurance of the Provinces of Canada, announces that the date of the annual conference which meets this year in the city of Quebec, has been fixed for October 4th to 7th inclusive. The headquarters of the conference will be Chateau Fontenac.

The programme for the conference has not yet been settled, but an announcement and invitations will be issued at an early date. All insurance companies operating in the Dominion and associations of insurance interests will be invited to send representatives to the conference.

SASKATCHEWAN INSURANCE.

(From Our Own Correspondent)

REGINA—A substantial increase in the amount of business written by both fire insurance and hail insurance companies in Saskatchewan last year over the preceding year is shown by A. E. Fisher, insurance commissioner for the province. Hail insurance last year exceeded that of fire insurance by about $500,000. The total amount of fire losses paid last year was $1,424,800 as compared with $1,373,384 for 1919. In hail losses $1,860,028 was paid out last year as against $1,820,800 in the year previous.

AMERICANS BUY LAND OF MENNONITES

Over 100,000 Acres Involved—Price About Five Million Dollars

The lands of the Mennonites in southern Saskatchewan have been purchased by a syndicate of United States capitalists. The aggregated area camprises aproximately 106,000 acres, lying to the southeast of the town of Swift Current. The number of families comprised in this "colony" who have sold out their holdings to form what is practically the composite block of land, is between 450 and 500. They have sold all their material possessions as well as their land. Their crops, their stock and farm machinery of every description, their houses and barns, their fifteen villages, their kitchen gardens and their poultry, even their furniture and their domestic pets.

The Mennonites will quit the land which has been their home for some fifty years with only their personal effects, and the proceeds of the sale of the lands which they mainly acquired gratuitously from Canada. The total price is stated to be between $4,500,000 and $5,000,000. The transaction is so much in the nature of a cash one that the total purchase money is to be fully paid up before the final execution of the agreement within twelve months. The following reference to the transaction is by a contributor to the Manitoba Free Press:

LA BANQUE NATIONALE

SIXTY-FIRST ANNUAL REPORT

1921

The sixty-first annual general meeting of the shareholders of this institution was held at the office of the Bank on Wednesday, the fifteenth of June, 1921, at three o'clock, p.m.

There were present:

Messrs. J.-B. Laliberté, A. B. Dupuis, Napoléon Drouin, Nazaire Fortier, Charles Pettigrew, Napoléon Lavoie, His Worship Mayor Jos. O. Samson, Capt. J. E. Bernier, Pierre Drapeau, J. F. Dumontier, J. Adhémar Gagnon, F. A. Gauthier, Chas. Grenier, N.P., Elzéar Labrecque, M.D., M. A. Labrecque, S. Jules LaRue, N.P., C. J. Lévesque, James McCone, Charles Noreau, Léo Pelletier, F. X. Rainville, Hon. Adjutor Rivard, Antoine Rivard, Arthur E. Scott, J. Ernest St-Pierre, L. P. Thibault, Zotique Turgeon, etc., etc.

In the absence of Mr. R. Audette, President of the Bank, Mr. J.-B. Laliberté, Vice-President, was called to the chair and Mr. P. Lafrance was requested to act as secretary.

Before proceeding to the reading of the annual report, the following gentlemen were elected scrutineers, viz.: Messrs. Chas. Grenier, N.P., C. J. Lévesque, S. Jules LaRue, N.P.

The president then read the following report:

REPORT OF THE BOARD OF DIRECTORS

Gentlemen shareholders,

The Directors have the honour to submit to your approbation the result of the operations of the Bank for the year 1920-21, by the statement of Profit and Loss account, together with the statement of the Assets and Liabilities of the Bank:

The balance at the credit of Profit and Loss, on April 30th, 1920		$ 74,219.97
The profits of the year, after paying interest on deposits and deducting bad and doubtful debts		544,945.69
Forming the sum of		$619,165.66
Which has been disposed of as follows:		
To Quarterly Dividends, at the rate of 12% per annum, (i. e., 3% payable 2nd August, 2nd November, 1st February and 2nd May)	$240,000.00	
to Reserve Fund	100,000.00	
to Depreciation on securities and for contingencies	100,000.00	
to Rebate of interest on discounts	20,000.00	
to Depreciation on Bank premises	40,000.00	
to Depreciation on fixtures	25,000.00	
to Pension Fund	20,000.00	
to Tax paid to the Dominion Government	26,708.73	
to Subscription in favor of Laval University (first instalment)	10,000.00	
to Subscription to Collège de Ste-Anne-de-la-Pocatière (first instalment)	2,000.00	
		583,708.73
Leaving to the credit of Profit and Loss a balance of		$ 35,456.93

The year has been a fructuous one and, if you compare the statement of last year with the one of this year, you will see considerable progress has been made. Our assets, of $68,675,400 last year, are now at $75,052,900 an increase of $6,377,500. Deposits are at $57,167,700, an increase of $8,707,500 over last year. There is an increase on nearly all the items of the statement. The Profit and Loss account shows that our profits have been of $544,945, a small diminution on last year's result. The disposal that we have made of those profits will have, no doubt, your approval. We have been enabled to pay, for the first time, our annual dividend on a 12% basis, add to our reserve fund $100,000 and make the other appropriations which have just been read.

The necessity of enlarging our premises at Quebec being more and more felt and pressing, caused by the increase of our business, we could not any longer delay the repairs and additions to be made to our building; we hope that, in the course of the year, we will have suitable offices for ourselves and offices for rent enough to have this property not an expense, but productive of a revenue. The bank premises account of the bank increases every year. It is a necessary increase which we cannot prevent; our branches, which increase in number every year, compel us to buy or build We put all our ability in the buying or building of these properties, so that the cost will not be too high and the amount shown in our statement will not be more than could be realized. Every year, we apply a reasonable amount for depreciation, as shown by our Profit and Loss account.

During the year, we have made a great loss by the death of one of our directors, Mr. the commander Victor Châteauvert, whose long and faithful services have been so useful to the Bank; his integrity, his experience, his good jugment made him a valuable director and his social qualities endeared him the more. We had chosen, to replace him, Mr. Adjutor Rivard, who would have been a precious counsellor for the Bank and whose passage amongst us, though short, has allowed us to judge how great was our loss when he was called to the Bench as Judge of the Court of Appeals of the Province of Quebec, which entailed his resignation as a Bank director. To replace him, we called upon one of the largest shareholders of the Bank, Mr. A. B Dupuis, whose value as a man of experience and of good counsel we knew, having had him as director before, during long years.

You will be called upon to approve, by resolutions, subscriptions in favor of Laval University and in favor of the College de Ste-Anne-de-la-Pocatière, one for $50,000 and the other for $10,000, payable in five equal, annual instalments. Your directors, in voting these subscriptions, believed that it was their duty towards the institution and the public to contribute to those good works of education and instruction, so as to maintain and increase in this part of our province the knowledge and the intellectual strength of our fellow-citizens, being convinced that advantage will accrue even from a financial and commercial point of view, if our fellow-citizens are put in a position to compete on an equal footing with those of the other parts of the province. We are the only banking institution having is head-office in Quebec and having nearly all its shareholders in this part of the Province. We are, more than all the other institutions, interested in its progress. Those institutions which we are helping are, amongst all others, the most deserving and at the same time the most beneficial and necessary.

In the economical reconstruction which the war has imposed upon us, of all the means suggested to arrive at the best results, none is more efficacious and we may say the only one which is entirely so, is economy: the most solid basis on which can repose our economical construction. We will never preach enough this economical virtue, which, in a way makes, the others flourish and from which flows a people's prosperity. From the practice of this economy, money, as deposit, finds its way into banks and is distributed in loans to commerce, industry and agriculture, stimulating all the energies of the nation. It is generally admitted that, in this province, our principal source of riches is agriculture; the Bank gives a special attention to its wants and we have to congratulate ourselves on the results. Our farmers, and we cannot cease to repeat it, find in our Bank all the reasonable help wanted for their progress and the growth of their farms. Agriculture in our province has, as a corollary and a source of considerable revenue, the working of our forests, the commerce of pulp-wood and saw lumber. This contributes for a large part to the wealth of our farmers, who find in it employment in winter, the sale of their surplus of wood which they have on their land and the disposal of their products for the lumber camp during winter "chantiers." But lumber industry, as all other industries, feels now and has, for some months past, felt a considerable depression. Happily for us and our customers, we had, for a year past, decreased our advances in this line and only a few of them have stock unsold and diminished in value; the least recovery in building and manufacture will stimulate the sales and clear them.

We believe that the year now on will be commercially and industrially a difficult one, that the readjustment already commenced will reach its maximum, this year, and not without causing liquidations, more or less injurious. Prudence is more necessary than ever. The provident ones, who, during the years of plenty through which we have just passed, have economized, will be well recompensed for having followed such a line of conduct: they will lie in a position to bear the decrease in the value of their stock and the other losses which times as those we go through carry with them.

During the year, the difference of exchange in favor of the United States has been very high, an average of 12% to 15%. It is over $100,000,000 paid to the United States in complete loss, which we would not have paid, if the balance of trade between the two countries had been even. The means to be taken to have this state of things cease have been repeated everywhere and they are still the same: more production to sell everywhere, specially in the United States, to buy the least possible from them, only what is absolutely wanted, and to buy, in preference, Canadian goods. There is still, we believe more to do, that is, to buy what is not produced here from European countries, where exchange is in our favor. We believe, if our commercial men and industrials would inform themselves more, they would find in those European countries a large part of the goods wanted and at better conditions than they obtain in United States.

The General Manager has made, this year, what could not be made during the war: a complete inspection of our Paris branch He was happy to find the good administration which prevailed and the satisfactory increase that the branch brings every year to the development of the Bank.

We express with pleasure to our employees, our appreciation of their good will and their zeal in the service of the institution.

R. AUDETTE, President.

N. LAVOIE, General Manager.

GENERAL STATEMENT - APRIL 30th, 1921

LIABILITIES

Notes of the Bank in circulation		$ 6,023,475.00
Balances due to Canadian Government		6,649,813.37
Deposits payable after notice	$42,068,210.84	
Deposits payable on demand	8,101,390.74	
Deposits elsewhere than in Canada, payable after notice	6,888,066.78	57,167,668.36
Unclaimed dividends	1,260.65	
Dividend payable 1st May	60,000.00	
		61,260.65
Balances due to other banks in Canada	487.33	
Balances due to banks and banking correspondents in foreign countries	214,872.86	
Bills payable	450,000.00	
Other liabilities	49,916.67	
		715,276.86
Total Liabilities to the public		$70,617,494.44
Capital paid-up	2,000,000.00	
Reserve Fund	2,400,000.00	
Profit and Loss account	35,456.93	
		4,435,456.93
		$75,052,951.37

ASSETS

Current coin	$ 438,241.36	
Dominion Notes	5,183,310.00	
Deposit in the central gold reserves	4,200,000.00	
		9,821,731.36
Notes of other banks	702,945.00	
Cheques on other banks	2,497,889.70	
Balance due by other banks in Canada	1,439.83	
Balances due by banks and banking correspondents in the United Kingdom	650.58	
Balances due by banks and banking correspondents in foreign countries	582,865.79	
		3,785,770.90
Deposit with the Dominion Government to secure bank note circulation	100,000.00	
Imperial and Dominion Government securities	4,965,441.07	
Canadian municipal, foreign and other public securities	7,507,952.12	
Railway and other bonds	889,173.24	
Call loans on bonds, debentures and stocks	8,211,884.36	
		21,674,450.79
Total Assets immediately available		$35,281,973.05
Current loans and discounts in Canada (less rebate of interest)	$37,078,482.33	
Overdue debts (estimated loss provided for)	27,925.65	
Real estate (other than Bank premises)	327,131.32	
Mortgages on real estate sold by the Bank	384,876.14	
		37,818,415.44
Bank premises and fixtures, (less amounts written off)	1,793,649.10	
Other assets	158,913.78	
		1,952,562.88
		$75,052,951.37

N. LAVOIE, General Manager.

R. AUDETTE, President.

In accordance with sub-sections 19 and 20 of Section 56 of the Bank Act, 1913, and as auditor for La Banque Nationale, I have the honor to submit the following report:

I have compared the above balance sheet with the books and vouchers kept at the Head-Office of La Banque Nationale and with the certified returns from the different branches to April 30th, 1921; I have checked the cash and verified the securities and other valuables at the Head-Office and at four of the principal branches of the Bank; and, after having obtained all the necessary information and explanations, I certify that in my opinion, this balance sheet represents a true and correct view of the state of the Bank's affairs up to April 30th, 1921.

I have, in addition to the above mentioned, during the current year, checked and verified the cash and securities at different branches and Head-Office of the Bank and found them to be in agreement with the entries on the books of the Bank relating thereto.

I may also mention that the different officials of the Bank have given me, to my satisfaction, all the required informations concerning the Bank's affairs and transactions which have come under my notice, and I consider them within the power of the Bank.

OCTAVE BELANGER, L. I. A., Auditor.

Quebec, May 18th, 1921.

Moved by Mr. J.-B. Laliberté, seconded by Mr. Nazaire Fortier:

That the report of the Directors and the statement now read be adopted, printed and published for distribution among the shareholders.—Adopted.

Moved by Hon. Justice Adjutor Rivard, seconded by Mr. Charles Grenier, N.P.:

That the subscription of fifty thousand dollars ($50,000.00), made by the Board of Directors in favor of Laval University, be approved.—Adopted.

Moved by Mr. J. Adhémar Gagnon, seconded by Mr. F.-X. Rainville:

That the subscription ot ten thousand dollars ($10,000.00), made by the Board of Directors in favor of the Collège de Ste-Anne-de-la-Pocatière, be approved. Adopted.

Moved by His Worship Mayor Jos. O. Samson, seconded by Mr. Charles Grenier, N.P.:

That Mr. Octave Bélanger, accountant duly qualified as per section 56 of the Bank Act, be appointed auditor of the Bank for the year 1921-22, with the same remuneration.—Adopted.

Moved by Mr. C. J. Lévesque, seconded by Mr. J. F. Dumontier:

That Messrs. Rodolphe Audette, J.-B. Laliberté, A. B. Dupuis, Napoléon Drouin, Nazaire Fortier, Charles Pettigrew Napoléon Lavoie be unanimously chosen Directors of La Banque Nationale for the ensuing year and that a single ballot be deposited in the votation box.—Adopted

The President left the chair and Mr. Zotique Turgeon being called thereto, it was moved by Mr. C. J. Lévesque, seconded by Hon. Justice Adjutor Rivard:

That thanks be tendered to the President and Directors for the services they have rendered to the shareholders during the past year.—Adopted.

Moved by Capt. J. E. Bernier, seconded by Mr. F.-X. Rainville:

That the thanks of this meeting are due and tendered to Mr. J.-B. Laliberté for his services in the chair, and also to the scrutineers and Secretary for the fulfilment of their respective duties.

This motion was adopted and the meeting adjourned.

J.-B. LALIBERTE, Vice-President, Chairman.

P. LAFRANCE, Secretary.

Quebec, June fifteenth, 1921.

At the meeting of the Directors held on the same daay, Mr. Rodolphe Audette was re-elected President and Mr. J.-B. Laliberté, Vice-President of the Bank for the ensuing year.

P. LAFRANCE, Secretary.

THE MOLSONS BANK

Incorporated 1855
Capital & Reserve $9,000,000
Over 130 Branches

What to expect from
THE MOLSONS BANK

Prompt and efficient service. Courteous attention. Expert advice on financial matters. Every banking facility.

Over 130 branches are equipped to give this service.

EDWARD C. PRATT
General Manager

What the Bride-to-be Should Write

Dear Fred:
Father says you have not provided any life insurance protection for me.
Father thinks no young man has the right to take a young girl from a good home and not provide protection for her according to his means.
Now, Fred, don't you think father is right?
Mary.

Excelsior Life Policies carry the automatic non-forfeiture clause which protects your policy. Write

EXCELSIOR LIFE INSURANCE COMPANY
Head Office, TORONTO
"Our agents will explain the Excelsior Life policy that meets your particular need. No obligation incurred."
10

CAPITAL

is required to extent of Twenty Thousand Dollars, by small company with assured future. This will tsand thorough investigation. Prefer individuals who can invest a large proportion of this amount. Box 98.

TAKE Windsor for example, since it has been much in the public eye. It has 800 typewriters. 604 are Underwoods.

Or let us go farther afield. In Winnipeg there are 5946 typewriters. 3411 are Underwoods.

Again, in St. John there are 1169 typewriters. 833 are Underwoods.

And so it goes. Ask us about any city in the Dominion---the Underwood is greatly predominant.

United Typewriter Co.
Limited
135 Victoria Street, Toronto
and in
Calgary, Halifax, Montreal, Regina, Vancouver, Edmonton, Kitchener, Moose Jaw, St. John, Victoria and Winnipeg, Hamilton, London, Ottawa, Saskatoon, Windsor
(Similar conditions in all these places)

KERR LAKE MINES, LIMITED
61 Broadway, New York, June 14, 1921
DIVIDEND NO 11
The Board of Directors have this day declared a dividend of 12½c. per share on the capital stock of the company, payable July 15, 1921, to stockholders of record at the close of business on July 1, 1921. Books will not close.
E. H. WESTLAKE, Treasurer.

NEWS AND VIEWS FOR MANAGERS

WOMEN BANK CLERKS TO BE ELIMINATED

Report Says They are to Gradually Make Way for Male Employees.

THE PROMOTION SYSTEM

Girls do not Like to Accept Transfers From Branch to Branch as is Desirable

Making way for male employees, the Financial Post understands the tendency will be to eliminate the women bank clerks and that as governing the immediate future girl employees will not be favored in the service of Canadian banking institutions. The woman banker, while accepted as a success up to a certain position under the Canadian system of branch banking, after a six year test, has proved to be a serious stumbling block to the promotion system. Probably ninety per cent. of the women clerks will not accept transfers from branch to branch. As a result the promotion system as evolved out of a period of many years' Canadian banking practice is said recently to have seriously broken down.

Among all the changes which business conditions of recent years brought about in Canadian banks, undeniably the most outstanding aws the throwing open of new positions to women. Prior to the war, girls were not employed in Canadian banks in a clerking capacity. The depletion of staffs when the men went to the front first opened the way for women. The tremendous business expansion immediately following the cessation of war continued the need of retaining female works to supplement.

Complete figures have never been available fully indicate the strength of women bankers in the Dominion but that the ratio is considerable is indicated in the announcements of two of the larger banking institutions, one of which recently reported that of a staff of 2,300 more than 700 were women, and the other of a staff of 1,300, some 400 were women.

Staffing of our banks was an acute problem in the first days of the reconstruction era. The overwhelming expansion of the branch system made serious inroads into the staffs. For this reason the temporary staff engaged during the war-period, in the full expectation of being released when the war stopped, was retained. The girls, however, remained upon the temporary staffs and for this reason may the more readily be released at this time.

Business has Contracted.

It is no secret that the volume of business passing through all Canadian Banks, tremendously extended a year ago, has declined very appreciably. For many months now, too the tendency has been to reduce rather than extend the number of operating branches. These very potent reasons, coupled of course with the situation generally as concerning employment, has virtually forced upon bank executives, the necessity of reducing staffs or keeping them at a minimum.

Canadian bankers in the past have been prone to retain as complete staffs as posible, in spite of periods of depression. Once a man entered the service of a Canadian bank, it came to be accepted that he would not be "let out" except for very urgent cause, or except at his own desire. For this reason in adopting a general policy that has for its main decision the weeding out of the women employees it is not believed our bankers will put drastic orders into effect. A well informed bank executive assured the Financial Post this week that the process of elimination was not designed to work a hardship upon any girl employee. It is readily conceded that many girls still in the banks were originally impelled to work from patriotic motives. Not actually in need of the income except for personal account, these young women will be quickly "weeded out." There will be the natural elimination of those girls who are about to marry, and who will no longer be retained in positions once they are wedded as has been the case up to the present time. Gradually all those young women not actually requiring employment will be released.

"Why look beyond this point?" questioned our banker-informant, "for by then, we very much hope. Canada will be harvesting a bumper crop which will react upon our banks in requiring every person with banking knowledge in Canada to be strenuously at work."

HOCHELAGA

The Notro-Dame-de-Lachine sub-agency of the Bank of Hochelaga, formerly controlled by the Lachine branch, has been converted into a branch under the direction of J. Sauve, with the title of pro-manager.

The Asbestos sub-agency, formerly controlled by Victoriaville branch, has been converted into a branch under the direction of R. Cloutieh, with the title of pro-manager.

HAMILTON

J. W. McCabe manager of the Vancouver branch of the Bank of Hamilton, has been appointed manager of the branch at Winnipeg. W. Morton, assistant to the manager at Hamilton, has been appointed managre at Vancouver.

BANKING SERVICE IN THE WILDS OF THE FAR NORTH

Union Will Have Branches at Fort Norman and Fort Smith

900 MLS. FROM EDMONTON

(From Our Own Correspondent)

WINNIPEG—Extending banking accomodation for the first time into the new northern oil fields of the sub Arctic, the Union Bank of Canada on Wednesday, June 8th, opened a branch at Fort Smith, in latitude 60 degrees north. B. C. Beyer, formerly manager of the Union Bank of Canada at Leduc, Alta., left Winnipeg the latter part of May, with full equipment to establish this farthest north branch of the Union Bank.

Arrangements have been completed by the Union Bank of Canada to open a branch at Fort Norman, and the staff together with their personal and office equipment will push forward as soon as the physical conditions of the country permit. The new Fort Norman branch of the Union Bank of Canada will carry Canadian banking nearer the North Pole than ever before. Dawson City, previous "farthest north" banking point is at latitude 64 degrees north; Fort Norman is just beyond latitude 65 north, according to the latest map of the Department of the Interior, Ottawa.

With the Bank's establishment at Fort Smith ,the facilities of the institution have been carried 900 miles from Edmonton. Fort Norman is about double this distance by the ordinary routes of travel.

Not since the Yukon was penetrated in 1898 has a more romantic and possibly more difficult pioneering mission been given to a Canadian banker than Mr. Beyer's assignment. It is not to be expected that the new Fort Smith and Fort Norman branches of the Union Bank of Canada can become a profitable venture particularly in the initial stages but it is characteristic of Canadian Banking that the banker should accompany the forerunners of civilization and development in any movement tending toward national progress.

In fulfilling his mission for the Union Bank Mr. Beyer accompanied one of the first contingents to get away from Peace River Crossing, into the Fort Norman oil fields, this season. The district cannot be entered earlier by the summer route. The rivers are not clear of ice much before June 15 or July 1. For, while winter travel is possible the fact that there are no regular roads and little traffic and that travelling is done by dog train makes winter travel extremely difficult and often hazardous. Furthermore, good dogs are scarce and supplies costly in the district during the winter.

Fort Smith is the natural gateway to the MacKenzie district ,and will be the new seat of Government as headquarters of O. S. Finnie, acting secretary of the Northwest Territories and representing as Administrator, W. W. Cory, Commissioner of the Northwest Territories.

Mr. Beyer's trip to Fort Smith carried him 900 miles from Edmonton. The Peace River route which he took involved travelling from Edmonton by the E. D. and B. C. Railroad for a distance of 312 miles. Leaving Peace River Crossing he travelled by steamboat to Vermilion Chutes, a distance of 300 miles up the Peace River, and a journey that includes a four mile portage around the "chutes." The next stopping place after Vermilion Chutes is the trading post of Fitzgerald 275 miles farther up the river. A portage road 16 miles long extends from Fitzgerald to Fort Smith. There are teams and tractors at this portage but the traffic congestion is reaching unprecedented proportions now because of the "rush" to enter the undeveloped regions.

Julian W. Curtiss, president of A. G. Spalding & Bros., estimates 3,600,000 golf balls valued at $3,000,000, 1,560,000 tennis balls valued at $1,000 and 1,000,000 baseballs valued at $500,000, used in United States annually.

MORTGAGE CO.'S MAY ENTER THE FIELD OF BANKS

Manitoba Will Likely Adopt Legislation Like Ontario Has Passed

CENTRAL BANK SUGGESTED

But After All There Are Not Very Serious Complaints About the Banking System As It Now Operates

(From Our Own Correspondent)

WINNIPEG.—The trend of Western savings deposits is being watched with increasing interest, specifically because of the widening channels that are opening up to attract the people's savings. The extent to which mortgage and trust enterprises, and provincial banking ventures are to take deposits, payable upon demand, in competition with the federally chartered banks is giving rise to a serious discussion.

The opinion has been ventured here that following the example of the province of Ontario, in recently altering its legislation with reference to deposit taking by mortgage, trust and similar companies, the Western provinces will adopt similar practice. Speaking for Manitoba, the Winnipeg Free Press says "It is understood that in this province the government is ready under existing circumstances to give encouragement to mortgage companies and trust companies, which wish to increase their deposit business and to increase the amounts which they will have to loan to home builders and farmers."

Evidence of what can be done is furnished by the Provincial Bank of Manitoba, which according to H. G. Vincent, manager of the Garry Street Winnipeg branch has gathered in deposits aggregating "Almost $3,000,000" during the nine months the banking organization of the province has been in operation. One may only speculate as to the amount of "new money" included in these savings deposits. There is a wide disposition to believe that the bulk of this money has been secured from the foreign born depositors of Winnipeg, who have been induced to transfer their savings accounts from the federally chartered banks to the provincial savings bank; with the 4 per cent. interest rate, the influencing factor. It would be interesting were it possible to secure an analysis tending to show the amount of "new money" obtained from the "stocking banks" —the money hitherto hoarded by suspicious foreign element. Your correspondent was told by one of the Winnipeg branch managers of an instance, where a foreign-tongue society transferred an account of $40,000 to the Provincial Savings Bank because of the 4 per cent. interest rate.

Government's Attitude.

The "economic soundness" of the policies underlying the present banking situation in Manitoba and the "unfairness" of the competition is probably an unknown quantity to these foreign-born depositors. Apparently they do not realize that if a bank paying a higher interest rate than the Dominion chartered institutions cannot operate with profit and the Provincial Government finds it necessary to make a grant for maintenance, that this grant reacts upon the public, in the form of taxes or some equally revenue-bearing proposition.

The Hon. Edward Brown, Provincial Treasurer, according to the Free Press "has repeatedly stated in the clearest terms that the government is not seeking any monopoly of this business, and is sincerely desirous that all existing agencies should have every facility for building up the permanent financial fabric o fthe province."

The Free Press presents a brief for the mortgage companies, in an extended review of the financial situation. Due emphasis is given to the difficulty of the mortgage concerns to-day drawing from reservoirs abroad, from which in pre-war days there was a stead yflow of capital to this Western Country. Only the other day here in Winnipeg Mr. Ten Bosch, of Holland speaking particularly of the Netherlands which at one time readily supplied funds told of the impossibility of mortgage companies getting further funds from Europe for the Canadian West until the insatiable appetite for capital died down abroad.

Our Own Savings.

The Dutch financier expressed the opinion that mortgage funds, for the Canadian West may now only be secured from the savings of the people of the Dominion, and probably for some years to come. Confronting this situation, the Manitoba Free Press develops the idea of the mortgage and trust companies entering the deposit getting field.

In the opinion of the Winnipeg newspaper critic, one of the reasons why mortgage companies and trust companies have not been encouraged in the past to enter the deposit field largely, or to prosecute this business more earnestly, is the idea widely entertained, that is is an unwise procedure to collect money from the people, repayable on demand and lock it up in mortgages which run for at least five years. Further pointing out that "the supposition is that if depositors should suddenly demand their money, and could not get it and would have to wait for years until these funds were slowly repaid" the Free Press declares quite positively "both theory and experience indicate that this view is incorrect."

North Dakota's Trouble.

In explanation the Free Press harks itself to that state of unhappy economic practices, Manitoba's American neighbor, North Dakota. Says the Winnipeg exponent. "It is true that money, which is loaned to a borrower on good security, cannot be recovered from the borrower until the stipulated time has passed, but a first mortgage is an extremely liquid security, and can always be sold for cash, if the price is made attractive. The experience of some of the banks in North Dakota in the recent trouble in that state was that they could readily liquidate their mortgages, which had years to run, but they could not liquidate their thirty day, sixty day, and ninety day paper. The reason for this was that behind the first mortgage there was definite security, and behind the note there was only a promise to pay. The borrower could not pay these short term notes, and the bank was in trouble."

"Down East" observers would be forgiven expressing surprise should an Ontario newspaper, for instance, suggest the adoption of a scheme of financing or banking that had been tried out in North Dakota, that state of banking misery. In Winnipeg however observers of financial problems have often found its more palatable to take Free Press suggestion with a grain of salt. So too was there a disposition not to take too seriously the banking "reforms" put forward before the Royal Grain Commission at its Calgary sitting.

Central Bank Suggested.

The suggestion of Commissioner Haslam of a Central Bank, for Canada, patterned after the Federal Reserve Bank of the United States is not a new propsal by any manner of means. There are bankers in Canada to-day who seriously entertain the notion of such a banking feature but there are other men of broadly matured vision and banking experience, as for instance Sir Vincent Meredith Bart., of the Bank of Montreal who considers the banking structure we already have amply sufficient for the country's fullest requirements.

Commissioner Haslam's chief reason for favouring a central bank seemed to be the idea that this would do away with the needs of the Canadian banks keeping sums of money on call loans in the New York money market. The millions thus released in his argument would be available entirely for Canadian development. Commissioner Haslam needs to be reminded of the source of strength to Canadian banking that these very New York call loans proved in those days of pressure immediately preceding and following the outbreak of the great war. It has frequently been shown that no other loans proved so liquid to Canadian Bankers.

However, whereas Commissioner Haslam's proposal was of a constructive nature, the theories advanced to the Commission at Calgary by W. A. Hiatt of Rockyford, Alta., were entirely radical. He is among those Western farmers who want a nationalized banking system. J. S. Woodward reporting the sittings of the commission says of him "Mr. Hiatt who started the economic symposium hails from Iowa. He is a naturalized Canadian and a loyal supporter of existing institutions as he finds them but he dislikes artificial inflation by means of paper credits and still more he dislikes violent deflation by financial octopi. He is young and has read volumes on his subject". In the words of R. B. Bennett, K.C. of Calgary, Mr. Hiatt is a correspondence school economist, "one who has mastered the terminology of a certain economic school without grasping the fundamental principles."

The Calgary Herald pronounces Hiatt as a man of "very radical views which he expounded at length". And then up against Mr. Hiatt we find men, practical farmers, like George Lane, probably the most outstanding rancher of Alberta, and C. W. Peterson, editor of Farm and Ranch Review with no complaints to offer.

MERCHANTS

The Merchants Bank of Canada announces that branches have been opened at the following places: St. Catherin & Drummond streets, Montreal; Baie St. Paul, Quebec, and Winnipeg Beach, Manitoba.

Dominion Iron & Steel Co. Limited
NOTICE OF
Preferred Stock Dividend No. 46.

A quarterly dividend of one and three-quarters per cent. on the Preferred Stock of the Dominion Iron & Steel Company, Limited, has been declared payable 1st July, 1921 to shareholders of record on 21st June, 1921.
By order of the Board of Directors.
C. S. CAMERON,
Secretary
Montreal, June 14th 1921.

DOMINION TEXTILE CO. Limited
Notice of Dividend

A DIVIDEND of three per cent (3%) on the common Stock of the DOMINION TEXTILE COMPANY, LIMITED, has been declared for the quarter ending June 30, 1921, payable July 2nd, to shareholders of record June 15th, 1921.
By order of the Board.
JAS. H. WEBB
Secretary-Treasurer
Montreal, 30th May, 1921.

Provincial Paper Mills Limited
DIVIDEND NOTICE

NOTICE is hereby given that Dividends have been declared by Provincial Paper Mills, Limited, as follows:
Regular Quarterly Dividend 1¾ per cent. on Preferred Stock.
Regular Quarterly Dividend 1½ per cent on Common Stock.
All payable on July 2nd, 1921, to Shareholders of record at close of business June 15th, 1921.
(Signed) S. F. DUNCAN,
Secretary.

The Bank of Nova Scotia
DIVIDEND NO. 206.

NOTICE is hereby given that a Dividend at the rate of four per cent. on the paid-up Capital Stock of this Bank has been declared for the quarter ending June 30th, and that the same will be payable on and after Saturday, the 2nd day of July next, at any of the offices of the Bank in Canada.
The Stock Transfer Book will be closed from the 16th to the 30th proximo, inclusive.
By Order of the Board.
H. A RICHARDSON,
General Manager,
Halifax, N.S., May 17, 1921.

The Toronto Mortgage Co.
QUARTERLY DIVIDEND

Notice is hereby given that a Dividend of two and one-quarter per cent., being at the rate of Nine per cent. per annum, upon the paid-up Capital Stock of this Company, has been declared for the current quarter, and that the same will be payable on and after 1st July, 1921, to Shareholders of record on the books of the Company at the close of business on 15th instant.
By order of the Board.
WALTER GILLESPIE, Manager.
Toronto, 2nd June, 1921.

The Canadian Converters' Company LIMITED.
DIVIDEND NOTICE.

NOTICE is hereby given that a dividend of One and three-quarters (1¾) Per Cent. has been declared on the Capital Stock of this Company for the quarter ending 30th July, 1921, payable 15th August, 1921, to Shareholders of Record at the close of business 30th July, 1921.
By Order of the Board,
THOS. M. BARRINGTON.
Secretary-Treasurer.
Montreal, 8th June, 1921.

Abitibi Power & Paper Co. Limited.
Dividend Notice.

Notice is hereby given that a quarterly dividend of one and three-quarters (1¾) per cent. has been declared on the Preferred Stock of the Abitibi Power & Paper Company, Limited, payable the 2nd day of July, 1921 to shareholders of record at the close of business the 20th day of June, 1921.
By Order of the Board.
L. R. WILSON,
Secretary.

The Canadian Crocker-Wheeler Co. Limited
DIVIDEND NOTICE.

The Directors of The Canadian Crocker-Wheeler Company, Limited, have declared a One and Three Quarters per cent (1¾%) dividend on the preferred stock of the Company for the three months ending June 30th, 1921, to shareholders of record June 20th, 1921. Also a dividend of One and Three Quarters per cent (1¾%) on the common stock of the Company for the three months ending June 30th, 1921, to shareholders of record June 20th, 1921.
The Stock Books will be closed from the 20th to the 30th of June both days inclusive.
Checks will be mailed to shareholders June 30th, 1921.
By order of the Board,
H. A. BURSON, Secretary.
St. Catharines, Ont., June 6th, 1921.

Howard Smith Paper Mills Limited
—DIVIDEND NOTICE—

Notice is hereby given that a dividend of 2 per cent. on the Common Stock, and 2 per cent. on the Preferred Stock of the Howard Smith Paper Mills, Limited, has been declared for the quarter ending the 30th day of June, 1921, payable on the 20th day of July, 1921, to shareholders of record at the close of business on the 9th day of July, 1921.
BY ORDER OF THE BOARD,
HAROLD CRABTREE,
Secretary
Montreal, Que.,
June 13th, 1921.

Dominion Textile Company Limited.
NOTICE OF DIVIDEND

A dividend of one and three quarter percent (1¾%) on the Preferred Stock of the DOMINION TEXTILE COMPANY LIMITED, has been declared for the quarter ending 30th JUNE 1921, payable JULY 15th to shareholders of record JUNE 30th.
By order of the Board,
Jas. H. Webb
Secretary-Treasurer.
Montreal 13th, June 1921.

The Standard Trusts Company
Dividend Number 34

Notice is hereby given that a dividend, at the rate of 9 percent. per annum on the paid-up Capital Stock of The Standard Trusts Company has been declared for the half-year ending June 30th, 1921, and that the same will be payable at the Company's Offices in Winnipeg, on and after July 1st, 1921.
The Stock Transfer Books will be closed from the 16th to the 30th of June, both days inclusive.
By order of the Board
WILLIAM HARVEY,
Managing Director
Winnipeg, June 3rd, 1921.

The Wabasso Cotton Co. Limited
DIVIDEND NO. 14th.

Notice is hereby given that a quarterly Dividend of One Dollar ($1.00) per share has been declared on the Capital Stock of the Company, for the quarter ending June 30th 1921, payable July 2nd, 1921, to shareholders of record at the close of business on the 15th of June, 1921.
By Order of the Board.
Jas. R. Ritchie,
Secretary-Treasurer.
Montreal, June 9th, 1921.

CPTG

A Gift That Can Never Be Lost

Your daughter—or a dearly loved god-child—is going to be married. You would like to give her a gift that will last forever. Jewels or plate may be stolen; real estate may decline in value; bonds may be squandered in a speculative whim. What shall you give her?

There is just one gift that no thief, no carelessness, no momentary embarrassment, no disaster can steal from her; and that is a Trust Fund placed with

The Canada Permanent Trust Co.

Year after year the Trust Fund makes her happy with your gift;—over and over again, as long as she may live. Whatever changes the years may bring to her, that gift of your love is always hers.

Such a Trust Fund will be invested in any way you may direct; or you may leave its investment to our discretion. In any case our financial experts will see to it that it brings to her whom you wish to favor the largest return consistent with perfect security.

Remember that a Trust Fund is an everlasting gift when in the hands of

The Canada Permanent Trust Co.
Toronto Street, Toronto
Paid-up Capital . . . $1,000,000
Manager, Ontario Branch . *A. E. HESSIN*

We Finance Industrial Concerns

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